

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
TEACHERS' RETIREMENT FUND
Fiscal Year 1985

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STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH C (MS 0200)
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

December 18, 1985

The Honorable Bill Sheffield
Governor of Alaska
P.O. Box A
Juneau, AK 99811

Dear Governor Sheffield:

It is my pleasure to submit to you the Annual Report of the Alaska Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS). This report shows the financial condition of both the PERS and TRS funds as of June 30, 1985. It has been prepared on the basis of standards set forth by the National Council on Governmental Accounting and is submitted in accordance with the requirements of Alaska Statutes 39.35.020(5) (PERS) and 14.25.030(4) (TRS).

Sincerely,



Eleanor Andrews
Commissioner

EA/LC/jms
12/6K3/1122-04
Enclosures

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

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Sincerely,



Eleanor Andrews
Commissioner

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

☐ POUCH CR (MS 0203)
JUNEAU, ALASKA 99811
PHONE (907)465-4460

☐ 2600 DENALI ST. SUITE 401
ANCHORAGE, ALASKA 99503
PHONE (907) 277-7504

Public Employees' Retirement System
Teachers' Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees' Voluntary Dental-Vision-Audio Plan
Supplemental Benefits System
Group Health/Life Insurance Benefits
Deferred Compensation Plan
Public Employers Social Security Contributions

Bill Sheffield, Governor

December 17, 1985

Commissioner Eleanor Andrews
Department of Administration
P.O. Box C
Juneau, AK 99811

Dear Commissioner Andrews:

I am pleased to submit to you the Annual Report of the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems. The information presented in this report shows the results of operations and the financial condition of the two retirement funds for the fiscal year ending June 30, 1985. The financial statements in this report are presented on the accrual basis of accounting in accordance with the Financial Accounting Standards Board, Standard No. 35.

The report contains the financial statements, the audit report from the professional accounting firm of Peat Marwick, and excerpts from the most recent actuarial valuations prepared by the system's actuary, William M. Mercer-Meidinger, Inc. Also included are the fiscal year investment comments from the Division of Treasury, Department of Revenue, which is charged with the investment of the retirement funds.

Market value of net assets in PERS was \$1,295,536,617 as of June 30, 1985, an increase of 34.3 percent over the previous year. Market value of net assets in TRS was \$866,333,671 as of June 30, 1985, an increase of 31.3 percent over the previous year.

The graphs presented on pages 34 and 35 (PERS) and pages 61 and 62 (TRS) demonstrate the increases in total assets and benefits paid in recent years. Additional information for the fiscal years ending June 30, 1983, through June 30, 1985, is provided in the following table:

	FY 1985		FY 1984		FY 1983	
	<u>PERS</u>	<u>TRS</u>	<u>PERS</u>	<u>TRS</u>	<u>PERS</u>	<u>TRS</u>
Number of participating employers	105	59	94	59	92	59
Number of participating members	27,911	9,034	26,381	8,655	24,756	8,221
Number of retired members	4,261	1,940	3,874	1,777	3,478	1,596
Average Annual Retirement Benefit	\$9,267	\$17,196	\$8,534	\$15,640	\$8,166	\$15,071
Average Annual Medical Benefit	\$2,302	\$2,302	\$1,873	\$1,873	\$1,387	\$1,387

The Fall 1984 meetings of the PERS and the TRS Boards were held in Juneau and the Spring 1985 meetings were held in Anchorage. The annual actuarial valuations were presented and approved at the Spring meetings. The boards also approved new employer contribution rates.

There was only one statutory amendment to the retirement systems during the 1985 legislative session. The Teachers' Retirement System now allows TRS credit for employment with the Alaska Bureau of Indian Affairs as an administrator if the position occupied required a teaching certificate as a condition of employment (Ch. 55, SLA 1985).

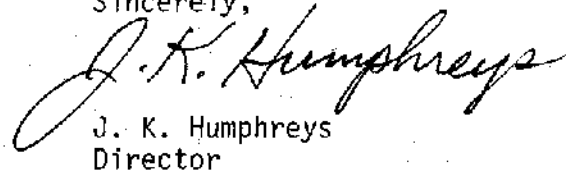
During the past year, a few minor enhancements were completed in both PERS and TRS. In addition, the Division followed through with their plans to develop the Combined Retirement System by letting out a Request for Proposal (RFP) for the project. Not only did the RFP include a conversion of both systems from an antiquated ASSEMBLER to a more flexible language, but also some major enhancements designed to upgrade our systems to state of the art technology. The response to the RFP was very good as six bids were considered, including an alternative to convert to an in-house computer system. We are still in the process of evaluating those bids.

Commissioner Eleanor Andrews

December 17, 1985

This report will be mailed to all employers belonging to the PERS and TRS. The cooperation of member employers is essential to the successful operation of the system. During the next fiscal year this division will continue to strive to improve our service to both the employers and the members.

Sincerely,

A handwritten signature in cursive script that reads "J. K. Humphreys". The signature is written in dark ink and is positioned above the printed name and title.

J. K. Humphreys
Director

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

BILL SHEFFIELD, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SB
JUNEAU, ALASKA 99811
PHONE:

November 15, 1985

The 1985 fiscal year ending June 30, 1985 saw a moderated continuation of the strong economic expansion of the 1984 fiscal year. Personal expenditures rose 7.1 percent despite the smaller 6.4 percent increase in personal income. That excess of expenditures over income was accommodated by increased consumer debt, which rose by 16.3 percent to a new record percentage of consumer income. The economic expansion was fairly comprehensive and final sales of goods and service, plant and equipment expenditures, and construction activity increased by comparable amounts, but corporate profits declined by 2.7 percent. Despite the increased consumer borrowing and a \$40 billion increase in U.S. Treasury borrowing, total net credit demands in the economy declined by almost \$100 billion. Because the supply of funds did not decline as much, the imbalance led to a more than 3 percent drop in interest rates and helped as well to fuel a substantial rise in common stock prices.

The combined investment portfolios of the retirement systems received \$148 million of net contributions during the fiscal year and realized over \$186 million of income and net capital gains. The realized yield on the average cost of the investments was 10.3 percent, down from the 11.5 percent of the previous year primarily because of the decline in interest rates. Rising prices in both the bond and stock markets added \$250 million to the market value of the portfolios, raising the market value to cost ratio to a record 104 percent. If the unrealized increase in market value is added to the \$186 million of realized income, then the yield on the investments was 24.3 percent--a historical record for the retirement funds.

Those exceptionally high investment returns are not expected to reoccur in the current fiscal year. The outlook for continued economic expansion is rather poor and no substantial increases in bond or stock prices are expected by next June 30. Consequently, investment returns in the forthcoming year will probably be within a 9 percent to 11 percent range.

Sincerely,

Milton B. Barker
Milton B. Barker
Deputy Commissioner

STATE OF ALASKA
RETIREMENT FUNDS
Combined Balance Sheet
June 30, 1985
(In Thousands)

<u>ASSETS</u>	<u>Total</u>	<u>Public Employees' Retirement Fund</u>	<u>Teachers' Retirement Fund</u>
Investments, at fair value:			
Certificates of deposit and other short-term investments	\$ 17,700	\$ 9,700	\$ 8,000
United States Government securities	887,181	544,379	342,802
Corporate bonds, notes and debentures	87,862	48,494	39,368
Common stocks	307,471	186,850	120,621
Foreign stocks	63,831	38,824	25,007
Foreign bonds	38,025	22,886	15,139
Real estate equity funds	153,506	91,932	61,574
Financial futures	2	1	1
Total investments	<u>\$1,555,578</u>	<u>\$ 943,066</u>	<u>\$612,512</u>
Loans and mortgages, at cost	<u>\$ 499,350</u>	<u>\$ 297,553</u>	<u>\$201,797</u>
Receivables:			
Contributions	\$ 17,752	\$ 4,715	\$ 13,037
Accrued interest and dividends	32,518	20,064	12,454
Total receivables	<u>\$ 50,270</u>	<u>\$ 24,779</u>	<u>\$ 25,491</u>
Cash	\$ 62,026	\$ 33,068	\$ 28,958
Total assets	<u>\$2,167,224</u>	<u>\$1,298,466</u>	<u>\$868,758</u>
Liability - accrued expenses	<u>5,355</u>	<u>2,930</u>	<u>2,425</u>
Net assets available for benefits	<u>\$2,161,869</u>	<u>\$1,295,536</u>	<u>\$866,333</u>

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD MEMBERS

NAME

TERM EXPIRES

C.R. "STEVE" HAFLING, CHAIRMAN

JULY 20, 1990

JAMES P. WELLINGTON

MARCH 7, 1990

MARY A. NOTAR

MARCH 7, 1990

BEN HUMPHRIES

JUNE 20, 1988

MARLENE A. JOHNSON

JUNE 20, 1986



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Alaska Mutual Bank Building
601 West 5th Avenue, Suite 700
Anchorage, Alaska 99501

Division of Retirement and Benefits and
Members of the Alaska Public Employees' Retirement Board
State of Alaska Public Employees' Retirement System:

We have examined the statement of net assets available for benefits of the State of Alaska Public Employees' Retirement System as of June 30, 1985, and the related statement of changes in net assets available for benefits for the year then ended and the statement of accumulated plan benefits as of June 30, 1984. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the State of Alaska Public Employees' Retirement System for the year ended June 30, 1984 were examined by other auditors, whose report dated September 21, 1984 expressed an unqualified opinion on those financial statements.

In our opinion, the financial statements referred to above present fairly the financial status of the Plan as of June 30, 1984, and the changes in its financial status for the year then ended and information regarding net assets available for benefits and changes therein as of and for the year ended June 30, 1985, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

October 15, 1985

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Statements of Net Assets Available for Benefits

June 30, 1985 and 1984

(in thousands)

	<u>1985</u>	<u>1984</u>
Assets:		
Investments, at fair value:		
Short-term investments	\$ 9,700	8,000
United States Government securities	544,379	444,815
Corporate bonds, notes and debentures	48,494	21,767
Common stocks	186,850	44,383
Foreign stocks	38,824	12,475
Foreign bonds	22,886	-
Real estate equity funds	91,932	81,850
Financial futures	1	1
Total investments	<u>943,066</u>	<u>613,291</u>
Loans and mortgages, at cost	<u>297,553</u>	<u>269,016</u>
Receivables:		
Contributions	4,715	4,887
Accrued interest and dividends <i>12315 prog.</i>	20,064	15,799
Total receivables	<u>24,779</u>	<u>20,686</u>
Cash	33,068	64,083
Total assets <i>Balance sheet value</i>	<u>1,298,466</u>	<u>967,076</u>
Liability - accrued expenses	<u>2,930</u>	<u>2,374</u>
Net assets available for benefits	\$ <u>1,295,536</u>	<u>964,702</u>

See accompanying notes to financial statements.

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Statements of Changes in Net Assets Available for Benefits

Years ended June 30, 1985 and 1984

(in thousands)

	<u>1985</u>	<u>1984</u>
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of investments (note 5)	\$ 117,733	(74,541)
Interest	105,072	97,408
Dividends	7,189	3,963
Total investment income	<u>229,994</u>	<u>26,830</u>
Contributions:		
State of Alaska and other employers	123,466	114,245
Employees	39,577	36,765
Total contributions	<u>163,043</u>	<u>151,010</u>
Total additions	<u>393,037</u>	<u>177,840</u>
Deductions:		
Benefits paid:		
Retirement	39,487	33,060
* Medical	9,350	6,939
Total benefits paid	<u>48,837</u>	<u>39,999</u>
Refunds to terminated employees	9,553	8,923
* Administrative expenses	3,813	1,776
Total deductions	<u>62,203</u>	<u>50,698</u>
Net increase	330,834	127,142
Net assets available for benefits:		
Beginning of year	<u>964,702</u>	<u>837,560</u>
End of year	\$ <u>1,295,536</u>	<u>964,702</u>

See accompanying notes to financial statements.

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Statement of Accumulated Plan Benefits

June 30, 1984

(in thousands)

Actuarial present value of accumulated benefits:

Vested benefits:

Participants currently receiving payments

\$ 349,943

Other participants

660,609

Total vested benefits

1,010,552

Nonvested benefits

115,312

Contingent liability (note 6)

Total actuarial present value of accumulated benefits

\$ 1,125,864

At June 30, 1983, the total actuarial present value of accumulated benefits was \$942,304. During the year ended June 30, 1984, there were no changes in the actuarial present value as a result of a change in actuarial assumptions (note 3).

See accompanying notes to financial statements.

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Notes to Financial Statements

June 30, 1985 and 1984

- (1) Description of State of Alaska Public Employees' Retirement System (Plan)
The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a joint-contributor plan created by State of Alaska Statutes effective January 1, 1961. The Plan was established to encourage qualified personnel to enter and remain in the service of the State, political subdivision or public organization of the State. Inclusion in the Plan is a condition of employment for State of Alaska employees except as otherwise provided for an elected officer. A municipality or other political subdivision of the State may request to become an employer in this system.

Pension Benefits

Employees with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 equal to 2% of their highest three-year average monthly compensation for each year of service. Employees with thirty or more years of credited service (20 years for peace officers and firemen) may retire at any age and receive normal retirement benefits. The Plan permits early retirement at age 50. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. Minimum benefits for employees eligible for retirement are \$25 per month for each year of credited service. In addition, major medical benefits are provided.

Death and Disability Benefits

If an active employee dies from occupational causes the employee's spouse or dependent children receive a monthly pension from the Plan. The amount of the pension changes on the date the employee's normal retirement would have occurred if the employee had lived. The new benefit is based on the employee's average base salary at the time of his/her death and the credited service that would have occurred had the employee lived and continued to work until normal retirement date. Nonoccupational death benefits are paid based on years of service and would consist of either a lump-sum benefit or a joint and survivor option. Active employees who become permanently disabled due to an occupational injury receive disability payments until normal retirement age. At normal retirement age the disabled participants begin receiving normal retirement benefits computed as though they had been employed to normal retirement age with their annual compensation remaining the same as at the time they became disabled.

(Continued)

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Notes to Financial Statements

(2) Summary of Significant Accounting Policies

Valuation of Investments

Investments, other than real estate equity funds and loans and mortgages, are carried at market value to reflect their asset values as determined by the last quoted market price at June 30, 1985 and 1984.

Real estate equity funds are stated at estimated market value as determined by the independent management of the investment accounts. These investments do not have a readily available market and generally represent long-term investments.

Loans and mortgages are serviced by the institution from which the loan is purchased. The policy of the Plan is to hold these investments until maturity and, accordingly, the investments are stated at cost. Loans and mortgages include approximately \$2,113,000 and \$1,859,000 for 1985 and 1984, respectively, of other real estate owned. Other real estate owned represents properties on which the Plan has foreclosed and is holding with the intent to resell.

Contributions Receivable

Contributions from employees and employers for service through June 30 are accrued. These contributions are considered fully collectible and, accordingly, no allowance for uncollectible receivables is considered necessary.

Investment Income Receivable

Investment income receivable represents amounts earned but not yet received as of June 30. These amounts are considered fully collectible and, accordingly, no allowance for uncollectible receivables is considered necessary.

(3) Actuarial Present Value of Accumulated Benefits

Accumulated benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provision to the service employees have rendered. Accumulated benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their highest three years of credited service. The accumulated benefits for active employees are based on their average compensation during the three years ending on the date that the benefit information is presented (the

(Continued)

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Notes to Financial Statements

valuation date). Benefits payable under all circumstances--retirement, death, disability, and termination of employment--are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated benefits is determined by an actuary from William M. Mercer-Meldinger Incorporated and is that amount that results from applying actuarial assumptions to adjust the accumulated benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of June 30, 1984 are as follows:

- a. Actuarial cost method - attained age normal, also known as aggregate method with supplemental liability, unfunded accrued benefit liability amortized over 25 years.
- b. Mortality basis - 1971 Group Annuity Mortality Table.
- c. Retirement age - the earlier of age 62 and 15 years of service, but not prior to age 57 for "other" members. Police and fire members are assumed to retire at the earlier of 22 years of service or attainment of age 55.
- d. Interest rate - 8% per annum, compounded annually, net of investment expenses.
- e. Health cost inflation - 8% per annum.
- f. Salary scale - increase of 8% per annum for the first five years of employment and 7% per year thereafter.
- g. Cost of living allowance (domicile in Alaska) - 60% of those receiving benefits will be eligible to receive the cost of living allowance.
- h. Contribution refunds - 100% of those terminating after age 35 with five or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded.

(Continued)

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Notes to Financial Statements

- i. Asset valuation - three-year average ratio between market and cost values of assets.

Turnover and disability assumptions are based upon actual historical occurrence rates of the Plan. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated benefits.

(4) Funding Policy

Employees' Contributions

Employees contribute 4-1/4% of their compensation, except for peace officers and firemen who contribute 5% of their compensation to the Plan. Contributions are collected by employers and remitted to the Plan.

Employer Contribution

Employer contributions vary and are determined annually on an actuarial basis for each employer.

(5) Investments

During 1985 and 1984, the Plan's investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in value as follows:

	<u>1985</u>	<u>1984</u>
United States Government securities	\$ 74,132	(45,514)
Corporate bonds, notes and debentures	12,429	(3,546)
Common stocks	23,011	(27,702)
Foreign stocks	5,087	(573)
Foreign bonds	1,403	-
Real estate equity funds	<u>1,671</u>	<u>2,794</u>
	\$ <u>117,733</u>	(74,541)

(6) Contingent Liabilities

The State of Alaska Public Employees' Retirement System (System) is a party to an action contesting application of the early retirement factors adopted by the System in calculation of the actuarial present value of the accumulated plan benefits. If the early retirement factors are ultimately rejected, the actuarial present value of the accumulated plan benefits would increase by approximately \$54,000,000, which could result in an increase of approximately .74% in the average annual employer contribution rate.

Benefit Services / Consulting Actuaries

SUMMARY

We have completed a valuation of the Alaska Public Employees' Retirement System as of June 30, 1984. The principal results of the actuarial valuation are presented in this summary and analysis; the three sections which follow are meant to provide the necessary supporting details.

Section 1 presents the fundamental information on which the valuation was based. Included is a summary of plan provisions, information about plan participants, and disclosure of the actuarial method and assumptions used.

Section 2 presents the detailed actuarial valuation results for the State and all political subdivisions which are in PERS. Its sub-sections present a step-by-step derivation of the recommended contribution.

Section 3 presents the detailed valuation results for the State alone.

The purposes of an actuarial valuation are:

1. To examine the status of funding of the Plan, and
2. To determine the contribution rates for the State and for each political subdivision of the State.

The most significant results of the valuation are as follows:

	<u>6-30-83</u>	<u>6-30-84</u>
(1) Status of Funding		
(a) Valuation Assets*	\$797,442	\$ 987,638
(b) Present Value of* Accrued Benefits	942,304	1,125,864
(c) Accrued Benefit Funding Ratio	84.6%	87.7%
(2) Contributions for Fiscal Year	<u>1986</u>	<u>1987</u>
(a) Consolidated Rate	11.82%	12.31%
(b) Average Past Service Rate	1.77%	1.53%
(c) Average Total Contribution Rate	13.59%	13.84%

* In thousands.

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us, to determine a sound value for the Plan liabilities. I certify that, to the best of my knowledge and belief, the attached statements are true and correct.

Respectfully submitted,

Robert F. Richardson

Robert F. Richardson, ASA
Principal

RFR/jam

April 5, 1985

1.6 ACTUARIAL METHOD AND ASSUMPTIONS

Valuation of Liabilities

- A. Actuarial Method - Attained Age Normal, also known as Aggregate Method with Supplemental Liability. The unfunded accrued benefit liability is amortized over 25 years.
- B. Actuarial Assumptions -
1. Interest 8% per year, compounded annually, net of investment expenses.
 2. Salary Scale 8% per year for the first five years of employment and 7% per year thereafter.
 3. Health Cost Inflation 8% per year.
 4. Mortality 1971 Group Annuity Mortality Table.
 5. Turnover Based upon the 1980-81 actual total turnover experience. (See Table 1).
 6. Disability Incidence rates in accordance with Table 2. Post-disability mortality in accordance with rates published by the Pension Benefit Guaranty Corporation to reflect mortality of those receiving disability benefits under Social Security. 94% of the disabilities are assumed to be occupational for police and fire; 28% for others.
 7. Retirement Age The earlier of age 62 and 15 years of service, but not prior to age 57 for "other" members. Police and fire members are assumed to retire at the earlier of 22 years of service or attainment of age 55.
 8. Spouse's Age Wives are assumed to be four years younger than husbands.

- | | |
|-------------------------|---|
| 9. Contribution Refunds | 100% of those terminating after age 35 with five or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded. |
| 10. C.O.L.A. | 60% of those receiving retirement benefits will be eligible for C.O.L.A. |
| 11. Expenses | No loading for expenses. |

Valuation of Assets

Based upon the three-year average ratio between market and cost values of the System's assets. Assets are accounted for on an accrued basis.

Valuation of Medical Benefits

Medical benefits for retirees are provided by the payment of premiums from the trust fund. A pre-65 cost and lower post-65 cost (due to Medicare) were assumed such that the total rate for all retirees equals the present premium rate. These medical premiums are then increased with the health inflation assumption. The actuarial cost method used for funding health benefits is the same method used to fund retirement benefits. Health benefits are assumed to be fully accrued once a member becomes vested.

TABLE 1
EMPLOYEE TURNOVER ASSUMPTIONS

Select Rates of Turnover During the First 4 Years of Employment		Ultimate Rates of Turnover After 4 Years of Employment		
<u>Year of Employment</u>	<u>Police & Fire</u>	<u>Police & Fire</u>	<u>Attained Age</u>	<u>"Other"</u>
1	.11	.2000	20	.2500
2	.15	.2000	21	.2500
3	.13	.2000	22	.2500
4	.10	.2000	23	.2500
		.2000	24	.2500
		.2000	25	.2500
<u>Year of Employment</u>	<u>"Other" Males</u>	.1760	26	.2200
		.1520	27	.1900
1	.30	.1280	28	.1600
2	.28	.1040	29	.1300
3	.26	.0800	30	.1000
4	.18			
		.0760	31	.0950
		.0720	32	.0900
		.0700	33	.0875
<u>Year of Employment</u>	<u>"Other" Females</u>	.0680	34	.0850
		.0680	35	.0850
1	.40			
2	.35	.0680	36	.0850
3	.28	.0660	37	.0825
4	.20	.0640	38	.0800
		.0640	39	.0800
		.0640	40	.0800
		.0620	41	.0775
		.0600	42	.0750
		.0600	43	.0750
		.0600	44	.0750
		.0580	45	.0725
		.0560	46	.0700
		.0560	47	.0700
		.0540	48	.0675
		.0520	49	.0650
		.0480	50	.0600
		.0400	51	.0500
		.0400	52	.0500
		.0400	53	.0500
		.0400	54	.0500
		.0400	55	.0500
		.0400	56	.0500
		.0400	57	.0500
		.0400	58	.0500
		.0400	59	.0500
		.0240	60 & Up	.0300

TABLE 2
Disability Rates
Annual Rates Per 1,000 Employees

<u>Age</u>	<u>Police & Fire Rate</u>	<u>"Other" Member Rate</u>
20	1.93	.60
21	1.95	.60
22	1.98	.61
23	2.01	.62
24	2.04	.63
25	2.06	.64
26	2.09	.65
27	2.15	.66
28	2.20	.68
29	2.25	.70
30	2.31	.71
31	2.37	.73
32	2.42	.75
33	2.48	.77
34	2.56	.79
35	2.64	.82
36	2.72	.84
37	2.83	.88
38	2.94	.91
39	3.05	.94
40	3.16	.98
41	3.30	1.02
42	3.49	1.08
43	3.74	1.16
44	4.07	1.26
45	4.46	1.38
46	4.84	1.50
47	5.25	1.62
48	5.69	1.76
49	6.13	1.90
50	6.60	2.04
51	7.15	2.21
52	7.87	2.43
53	8.75	2.70
54	9.76	3.02
55	11.00	3.40
56	12.62	3.90
57	14.59	4.54
58	16.78	5.19
59	19.80	6.12

2.5(c) DEVELOPMENT OF AVERAGE
EMPLOYER CONTRIBUTION RATE - FY87
ALL MEMBERS
TOTAL SYSTEM
(in thousands)

Consolidated Rate

(1) Present Value of Fully Projected Benefits	\$2,169,009
(2) Present Value of Accrued Benefits	1,125,864
(3) Current Member Arrearages	19,880
(4) Present Value of Future Consolidated Employer Contributions, (1) - (2) - (3)	1,023,265
(5) Present Value of Future Salaries	6,152,958
(6) Normal Cost Rate for All Members, (4) / (5)	16.63%
(7) Average Member Contribution Rate	4.32%
(8) Consolidated Rate, (6) - (7)	12.31%

Past Service Rate

(1) Present Value of Accrued Benefits	\$1,125,864
(2) Valuation Assets	987,638
(3) Total Unfunded Liability, (1) - (2)	138,226
(4) 25-Year Amortization Factor	11.528758
(5) Past Service Payment, (3) / (4)	\$ 11,990
(6) Total Salaries	782,266
(7) Past Service Rate, (5) / (6)	1.53%

Total Employer Contribution Rate 13.84%

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	June 30, 1985	June 30, 1984
Beginning Equities & Reserves	\$964,702,019	\$837,559,599
Additions:		
Employees' Contributions		
Akutan, City of	2,987	-0-
Alaska, State of	21,974,983	20,579,258
Alaska Housing Finance Corporation	90,592	57,424
Alaska Municipal League	15,721	7,738
Alaska State Housing Authority	142,028	141,953
Alaska Unorganized Borough Schools	(294)	(326)
Alaska, University of	2,572,327	2,482,486
Alaska, University of, Geophysical Inst.	137,280	113,370
Aleutian Region School District	13,666	12,756
Anchorage, Municipality of	3,699,252	3,442,560
Anchorage, Municipality of Parking Auth.	44,502	-0-
Anchorage School District	1,561,248	1,415,087
Annette Island School District	18,880	16,283
Barrow, City of	32,202	22,270
Bering Straits School District	130,173	108,290
Bethel, City of	(12,130)	17,917
Bristol Bay Borough	44,746	27,475
Bristol Bay Borough School District	13,213	16,910
Chatham School District	14,081	11,227
Chugach Region School District	3,057	442
Copper River School District	28,926	28,615
Cordova, City of	56,061	54,610
Cordova Community Hospital	33,007	26,636
Cordova Public Schools	17,829	18,011
Craig, City of	16,374	14,169
Craig School District	1,237	-0-
Dillingham, City of	47,943	46,959
Dillingham School District	8,648	-0-
Fairbanks, City of	565,539	540,296
Fairbanks Municipal Utility System	288,271	270,031
Fairbanks North Star Borough	513,226	408,719
Fairbanks North Star Borough School District	546,267	539,200
Fort Yukon, City of	7,193	9,364
Galena, City of	34,648	25,510
Galena City Schools	12,362	13,276
Haines Borough	2,499	2,398
Haines, City of	28,881	24,300
Hoonah, City of	21,591	-0-
Hoonah City Schools	14,203	13,056

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

FISCAL YEAR ENDED
June 30, 1985 June 30, 1984

Additions - Continued:

Employees' Contributions - Continued:

Hydaburg City School District	6,258	6,072
Iditarod Area School District	48,184	42,302
Juneau, City and Borough of	886,968	777,212
Juneau Borough School District	159,244	131,901
Kake, City of	25,634	-0-
Kenai, City of	135,115	108,656
Kenai Peninsula Borough	260,535	249,593
Kenai Peninsula Borough School District	248,537	246,340
Ketchikan, City of	242,455	198,969
Ketchikan Gateway Borough	65,613	61,727
Ketchikan Gateway Borough School District	29,871	29,944
King Cove, City of	19,389	11,285
King Cove City School District	8,023	8,796
Kodiak, City of	154,089	172,829
Kodiak Island Borough	78,379	40,880
Kodiak Island Borough School District	110,180	120,059
Kotzebue, City of	109,030	89,619
Kuspuk School District	41,205	37,878
Lake and Peninsula School District	34,562	37,619
Lower Kuskokwim School District	324,329	318,243
Lower Yukon School District	125,887	117,449
Matanuska-Susitna Borough	223,150	199,935
Matanuska-Susitna Borough School District	321,977	254,153
Nenana, City of	7,788	10,341
Nenana City School	9,821	8,391
Nome, City of	57,827	54,938
Nome City Schools	49,853	43,683
Nome Public Utilities	21,725	33,056
North Pacific Fisheries Management Council	24,333	19,831
North Pole, City of	60,949	31,144
North Slope Borough	1,099,177	1,073,308
North Slope Borough School District	217,490	220,006
Northwest Arctic School District	210,997	172,874
Palmer, City of	84,973	78,997
Pelican, City of	4,410	-0-
Petersburg, City of	71,398	99,178
Petersburg General Hospital	29,919	25,818
Pribilof Region School District	15,010	17,503
Railbelt School District	17,673	21,083
St. Paul, City of	16,008	2,531

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	<u>FISCAL YEAR ENDED</u>	
	<u>June 30, 1985</u>	<u>June 30, 1984</u>
Additions - Continued:		
Employees' Contributions - Continued:		
Sand Point, City of	15,861	18,938
Sand Point City School District	(1,584)	5,431
Saxman, City of	7,032	11,590
Scammon Bay	2,526	-0-
Seward, City of	94,446	101,196
Sitka, City and Borough of	149,703	136,948
Sitka Community Hospital	79,487	78,430
Sitka Borough School District	45,823	56,256
Skagway, City of	16,469	15,795
Soldotna, City of	41,645	33,263
Southeast Islands School District	19,942	12,088
Southeast Regional Resource Center	6,685	28,345
Southwest Region Schools	70,860	51,655
Tanana, City of	26,037	3,194
Tanana City School District	(5,700)	15,554
Terminated Employers	(3,041)	778
Thorne Bay, City of	3,892	-0-
Unalakleet, City of	14,815	18,505
Unalaska, City of	73,857	85,880
Unalaska City Schools	6,159	-0-
Valdez, City of	204,640	173,455
Valdez City Schools	89,171	59,894
Wasilla, City of	21,208	13,339
Whittier, City of	20,685	-0-
Wrangell, City of	54,017	58,946
Wrangell City Schools	15,970	13,516
Yukon Flats School District	44,770	37,474
Yukon Koyukuk School District	60,599	51,958
 Total Employees' Contributions	 <u>\$ 39,577,156</u>	 <u>\$ 36,764,836</u>

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

FISCAL YEAR ENDED
June 30, 1985 June 30, 1984

Additions - Continued:

Employers' Contributions - Continued:

Akutan, City of	7,239	-0-
Alaska, State of	71,596,371	65,300,517
Alaska Housing Finance Corporation	148,096	185,123
Alaska Municipal League	24,233	34,450
Alaska State Housing Authority	569,523	542,072
Alaska Unorganized Borough Schools	-0-	-0-
Alaska, University of	6,291,216	6,796,753
Alaska, University of, Geophysical Inst.	328,456	379,418
Aleutian Region School District	25,525	25,098
Anchorage, Municipality of	12,511,215	11,848,139
Anchorage, Municipality of Parking Auth.	20,606	-0-
Anchorage School District	5,611,065	5,000,043
Annette Island School District	50,919	38,662
Barrow, City of	54,879	24,996
Bering Straits School District	340,670	284,384
Bethel, City of	44,125	51,239
Bristol Bay Borough	96,821	47,851
Bristol Bay Borough School District	42,818	58,221
Chatham School District	34,656	30,699
Chugach Region School District	7,769	4,717
Copper River School District	87,409	58,210
Cordova, City of	183,849	209,446
Cordova Community Hospital	67,631	70,960
Cordova Public Schools	68,293	69,247
Craig, City of	42,977	33,559
Craig School District	4,084	-0-
Dillingham, City of	106,239	93,726
Dillingham School District	13,120	-0-
Fairbanks, City of	1,918,680	1,890,383
Fairbanks Municipal Utility System	1,167,804	1,074,202
Fairbanks North Star Borough	961,962	1,107,500
Fairbanks North Star Borough School District	1,562,097	1,415,201
Fort Yukon, City of	13,185	18,486
Galena, City of	89,704	78,670
Galena City Schools	36,934	37,257
Haines Borough	6,179	7,746
Haines, City of	69,099	65,183
Hoonah, City of	44,513	-0-
Hoonah City Schools	57,220	37,332
Hydaburg City School District	17,046	16,938
Iditarod Area School District	126,153	98,903
Juneau, City and Borough of	2,287,671	1,939,480

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	June 30, 1985	June 30, 1984
Additions - Continued:		
Employers' Contributions - Continued:		
Juneau Borough School District	534,241	391,157
Kake, City of	30,865	-0-
Kenai, City of	295,892	280,391
Kenai Peninsula Borough	826,299	689,485
Kenai Peninsula Borough School District	1,196,050	962,739
Ketchikan, City of	938,488	963,852
Ketchikan Gateway Borough	193,300	160,179
Ketchikan Gateway Borough School District	100,412	119,872
King Cove, City of	40,361	39,345
King Cove City School District	24,089	25,391
Kodiak, City of	557,678	479,320
Kodiak Island Borough	165,558	169,400
Kodiak Island Borough School District	625,028	376,350
Kotzebue, City of	228,313	219,891
Kuspuk School District	84,675	84,335
Lake and Peninsula School District	81,884	89,124
Lower Kuskokwim School District	752,198	774,058
Lower Yukon School District	313,239	275,257
Matanuska-Susitna Borough	583,918	487,236
Matanuska-Susitna Borough School District	972,705	756,807
Nenana, City of	32,808	33,922
Nenana City School	37,112	26,890
Nome, City of	233,967	189,243
Nome City Schools	181,191	133,207
Nome Public Utilities	39,753	49,662
North Pacific Fisheries Management Council	39,020	47,992
North Pole, City of	106,645	91,248
North Slope Borough	2,391,692	2,636,594
North Slope Borough School District	537,134	515,810
Northwest Arctic School District	494,984	416,088
Palmer, City of	246,992	194,348
Pelican, City of	(6,372)	-0-
Petersburg, City of	325,274	298,796
Petersburg General Hospital	123,262	89,365
Pribilof Region School District	27,552	27,099
Railbelt School District	59,082	54,972
St. Paul, City of	37,661	17,019
Sand Point, City of	41,230	34,310
Sand Point City School District	16,447	13,083
Saxman, City of	6,417	6,378

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	<u>June 30, 1985</u>	<u>June 30, 1984</u>
Additions - Continued:		
Employers' Contributions - Continued:		
Scammon Bay	8,406	-0-
Seward, City of	292,328	294,934
Sitka, City and Borough of	624,774	517,704
Sitka Community Hospital	191,985	189,862
Sitka Borough School District	258,571	209,339
Skagway, City of	50,232	59,198
Soldotna, City of	79,213	74,673
Southeast Islands School District	36,861	35,755
Southeast Regional Resource Center	67,603	65,531
Southwest Region Schools	130,780	134,866
Tanana, City of	35,194	36,165
Tanana City School District	16,530	14,165
Terminated Employers	-0-	40,454
Thorne Bay, City of	10,441	-0-
Unalakleet, City of	49,307	58,270
Unalaska, City of	177,698	234,267
Unalaska City Schools	17,081	0
Valdez, City of	405,280	430,373
Valdez City Schools	200,683	170,156
Wasilla, City of	40,856	32,179
Whittier, City of	72,475	-0-
Wrangell, City of	160,871	167,478
Wrangell City Schools	55,301	60,319
Yukon Flats School District	94,280	79,659
Yukon Koyukuk School District	133,432	144,774
Total Employers' Contributions	<u>\$ 123,465,277</u>	<u>\$ 114,245,148</u>
Interest Earned on Reinstatements	-0-	399,123
Net Investment Income	112,261,296	100,972,192
Market Value Adjustment	<u>117,732,469</u>	<u>(74,541,374)</u>
Total Additions	<u>393,036,198</u>	<u>177,839,925</u>
Total Equities, Reserves and Additions	<u>1,357,738,217</u>	<u>1,015,399,524</u>

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	June 30, 1985	June 30, 1984
Deductions:		
Administrative Expenses		
Personal Services	741,766	708,456
Travel and Moving	35,320	33,045
Contractual Services	933,686	428,717
Supplies and Materials	22,178	28,490
Machinery/Equipment	45,020	66,755
Inter-agency Services	2,034,600	510,000
Total Administrative Services	3,812,570	1,775,463
Employees' Contributions and Interest		
Refunded	9,553,211	8,888,000
Employers' Contributions Refunded	-0-	35,295
Medical Benefit Expenses	9,350,253	6,938,929
Retirement Benefits Paid	39,486,565	33,059,819
Total Deductions	\$ 62,202,599	\$ 50,697,506
Ending Equities and Reserves - Adjusted	\$1,295,535,618	\$ 964,702,019

Fiscal Year 1985 Public Employees' Retirement System Benefit Payments Breakdown

Benefit Type	Totals All Categories	Regular Retirees	Peace Officer Retirees	Fireman Retirees	*Elected Off. Retirees
Base Benefits	\$ 29,339,634	\$ 26,637,690	\$ 2,187,881	\$ 435,202	\$ 78,861
COLA	2,549,932	2,304,318	196,320	38,706	10,588
Widow Annuity	887,611	831,681	25,478	30,452	-0-
Survivor Benefits	274,269	86,076	168,349	19,844	-0-
Disability Benefits	925,860	599,736	182,603	143,521	-0-
PRPA	5,197,253	4,701,306	383,073	103,227	9,647
Voluntary Annuity	5,900	5,764	136	-0-	-0-
Lump Sum Benefit	306,106	245,963	10,871	21,011	28,261
Medical Benefits	9,350,253	8,855,187	357,061	94,194	43,811
Totals by Membership Category		\$ 44,267,721	\$ 3,511,772	\$ 886,157	\$ 171,168
Totals all Benefits	\$ 48,836,818				

Total Retirees (6/30/85) 4,261

Retirees by Membership Category

Average Benefit, by Category

- All Categories \$ 11,461

\$ 10,971

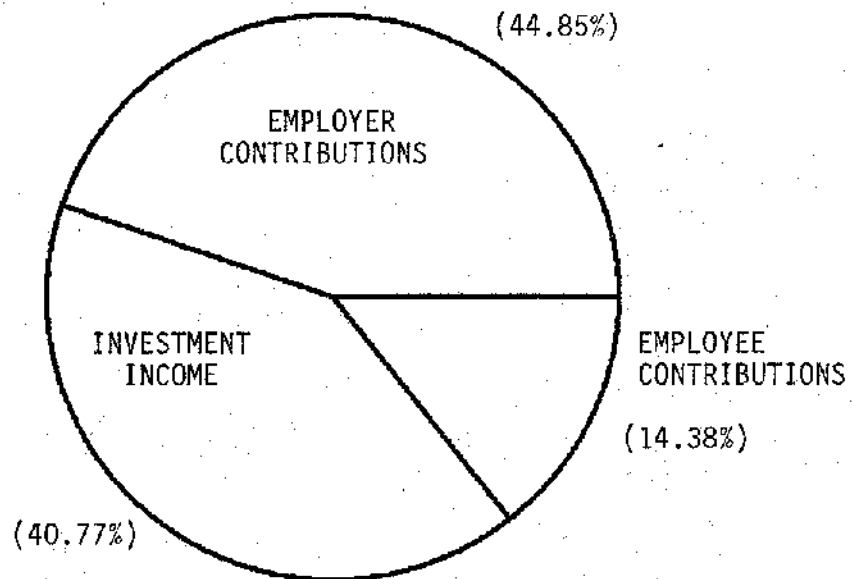
\$ 21,545

\$ 20,608

\$ 8,558

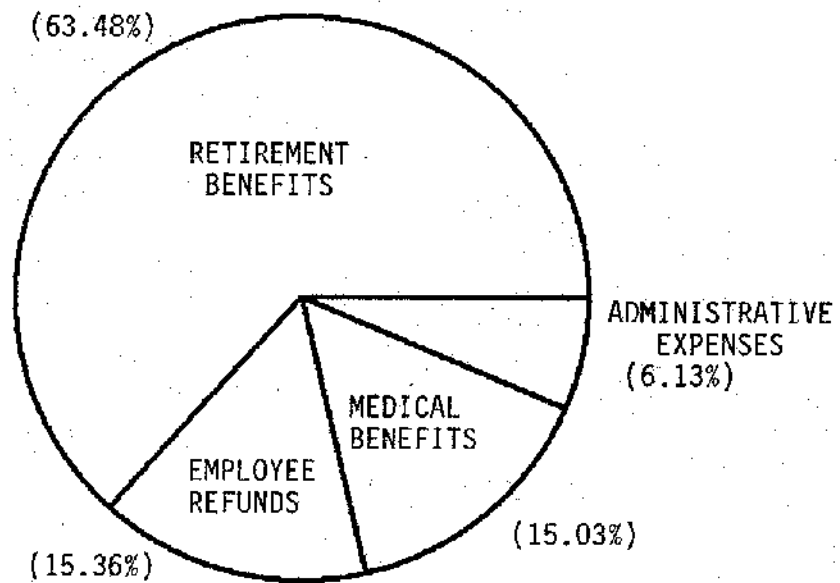
* Active and Retired Elected Public Officers as of October 13, 1976, were mandatorily transferred to the Elected Public Officers Retirement System (EPORS), which was established by Legislation on January 1, 1976. Under current Legislation, all other elected officials may participate in the PERS or the TRS, or do not participate at their option.

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 1985
INCOME AND RECEIPTS
\$275,303,729



STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 1985

DISBURSEMENTS
\$62,202,599



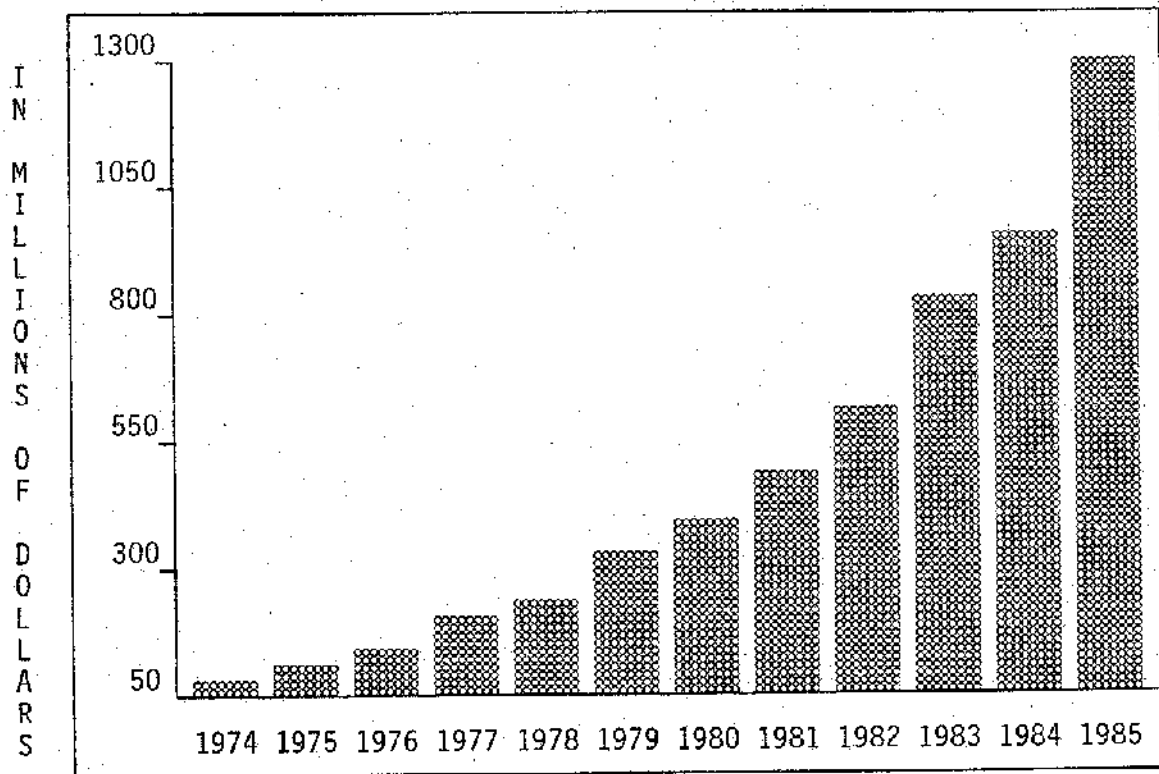
STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Historical Data
Fiscal Years 1974 through 1985
(cents omitted)

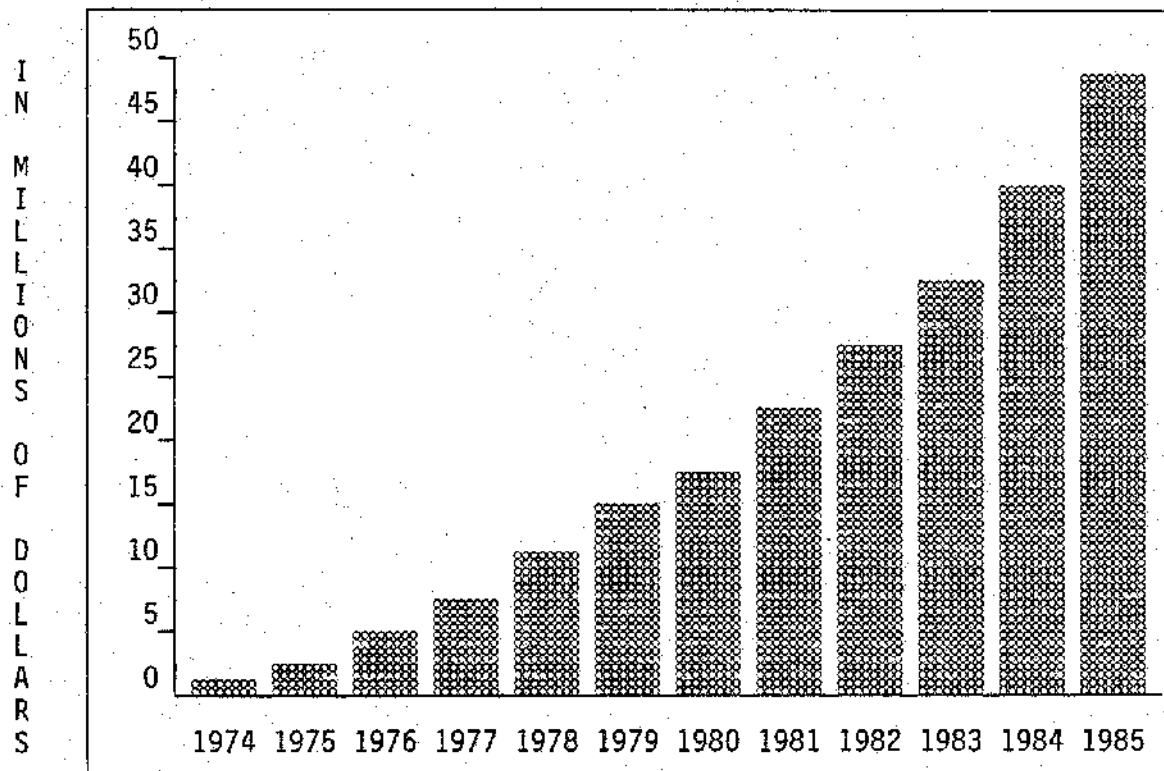
Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Employees' Contributions During Fiscal Year	Benefits Paid Including Medical Expenses & Death Benefits	Employees' Contributions and Interest Refunded During Fiscal Year	Net Investment Income During Fiscal Year
1974	89,606,549	9,439,931	6,805,053	1,714,642	2,334,265	2,270,806
1975	107,556,336	13,435,344	8,449,474	2,810,321	3,163,052	2,365,398
1976	141,988,644	22,712,558	12,348,074	4,842,542	3,758,719	8,367,857
1977	190,954,572	34,881,182	13,438,538	7,607,162	3,816,748	12,602,465
1978	246,662,043	38,735,575	16,176,433	11,005,738	4,345,592	16,612,594
* 1979	316,675,507	47,613,575	17,631,003	14,947,478	4,978,848	25,177,371
1980	402,125,897	56,236,318	20,898,263	17,775,811	5,759,464	37,489,889
1981	493,075,440	71,832,706	24,321,437	22,803,960	7,006,149	50,366,085
1982	609,103,807	88,332,287	28,918,210	27,438,183	7,192,268	51,408,749
1983	837,559,610	99,726,866	32,594,208	32,942,505	7,682,104	85,609,413
1984	964,702,019	114,245,148	36,764,836	39,998,747	8,888,000	100,972,192
1985	1,295,535,618	123,465,277	39,577,155	48,836,818	9,553,211	112,261,296

* Figures presented on an accrual basis effective FY 1979.

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
TOTAL ASSETS
FISCAL YEARS 1974 THROUGH 1985



STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BENEFITS PAID
FISCAL YEARS 1974 THROUGH 1985



STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND

Employer Contribution Rates

Fiscal Year 1985

<u>Employer</u>	<u>Percentage</u>
Akutan	11.96
Alaska, State of	
Policemen, Firemen	19.61
Inland Boatmen	14.31
All Other Employees	12.93
Alaska Housing Finance Corporation	10.60
Alaska Municipal League	23.97
Alaska State Housing Authority	15.64
Alaska, University of	11.21
Alaska, University of, Geophysical Institute	11.21
Aleutian Region School District	8.93
Anchorage, Municipality of	14.49
Anchorage, Municipality of Parking Authority	14.49
Anchorage School District	15.57
Annette Island School District	10.40
Barrow, City of	12.53
Bering Straits School District	11.21
Bethel, City of	15.24
Bristol Bay Borough	14.85
Bristol Bay Borough School District	14.49
Chatham School District	12.18
Chugach Regional School District	3.01
Copper River School District	13.25
Cordova, City of	12.93
Cordova Community Hospital	8.57
Cordova Public Schools	14.45
Craig, City of	12.21
Craig, School District.	12.75
Dillingham, City of	10.17
Dillingham, City School District	17.63
Fairbanks, City of	17.34
Fairbanks Public Utilities	17.34
Fairbanks North Star Borough	11.27
Fairbanks North Star Borough School District	11.27
Fort Yukon, City of	9.97
Galena, City of	13.86
Galena City Schools	10.80
Haines Borough	10.42
Haines, City of	9.86
Hoonah, City of	11.96
Hoonah City Schools	17.15
Hydaburg City School District	11.54
Iditarod Area Schools	11.18
Juneau Borough Schools	15.08
Juneau, City and Borough of	12.16

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1985

Continued

<u>Employer</u>	<u>Percentage</u>
Kake, City of	16.82
Kenai, City of	11.15
Kenai Peninsula Borough	14.68
Kenai Peninsula Borough School District	16.55
Ketchikan, City of	20.41
Ketchikan Gateway Borough	11.34
Ketchikan Gateway Borough School District	13.02
King Cove, City of	11.23
King Cove City School District	12.09
Kodiak, City of	15.50
Kodiak Island Borough	11.26
Kodiak Island Borough School District	12.65
Kotzebue, City of	11.47
Kuspuk School District	9.43
Lake & Peninsula School District	10.13
Lower Kuskokwim School District	10.58
Lower Yukon School District	11.12
Matanuska-Susitna Borough	13.29
Matanuska-Susitna Borough School District	13.29
Nenana, City of	15.09
Nenana City Public Schools	14.50
Nome, City of	15.14
Nome City Schools	15.71
Nome Joint Utilities	7.72
North Pacific Fisheries Mgt. Council	9.34
North Pole, City of	11.79
North Slope Borough	8.84
North Slope Borough School District	10.10
Northwest Arctic School District	10.12
Palmer, City of	15.37
Pelican, City of	11.96
Petersburg, City of	17.12
Petersburg General Hospital	17.12
Pribilof Region School District	11.05
Railbelt School District	10.19
Saint Paul, City of	10.55
Sand Point, City of	9.53
Sand Point City School District	11.88
Saxman, City of	11.96
Scammon Bay	23.37
Seward, City of	13.15
Sitka, City and Borough of	17.59
Sitka Community Hospital	11.27
Sitka Borough School District	17.59
Skagway, City of	13.93
Soldotna, City of	13.97

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1985

Continued

<u>Employer</u>	<u>Percentage</u>
Southeast Islands School District	9.29
Southeast Regional Resource Center	10.30
Southwest Region Schools	9.67
Tanana, City of	11.09
Tanana City School District	11.48
Thorne Bay, City of	11.96
Unalakleet, City of	13.82
Unalaska, City of	10.08
Unalaska City Schools	12.16
Valdez, City of	10.86
Valdez City Schools	11.98
Wasilla, City of	11.79
Whittier, City of	12.56
Wrangell, City of	13.12
Wrangell City Schools	15.17
Yukon Flats School District	9.88
Yukon Koyukuk School District	9.94

STATE OF ALASKA

TEACHERS' RETIREMENT SYSTEM

BOARD MEMBERS

<u>NAME</u>	<u>TERM EXPIRES</u>
DOROTHY WELLS, CHAIRPERSON	JUNE 30, 1987
CATHERINE LARSON	JUNE 30, 1987
CHARLES M. ARTEAGA	JANUARY 31, 1987
MERRITT C. OLSON	JANUARY 31, 1986
GARRIS (BOB) COVINGTON	JANUARY 31, 1988



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Alaska Mutual Bank Building
601 West 5th Avenue, Suite 700
Anchorage, Alaska 99501

Division of Retirement and Benefits and
Members of the Alaska Teachers' Retirement Board
State of Alaska Teachers' Retirement System:

We have examined the statement of net assets available for benefits of the State of Alaska Teachers' Retirement System as of June 30, 1985, and the related statement of changes in net assets available for benefits for the year then ended and the statement of accumulated plan benefits as of June 30, 1984. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the State of Alaska Teachers' Retirement System for the year ended June 30, 1984 were examined by other auditors, whose report dated September 21, 1984 expressed an unqualified opinion on those financial statements.

In our opinion, the financial statements referred to above present fairly the financial status of the Plan as of June 30, 1984, and the changes in its financial status for the year then ended, and information regarding net assets available for benefits and changes therein as of and for the year ended June 30, 1985, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

October 15, 1985

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM

Statements of Net Assets Available for Benefits

June 30, 1985 and 1984

(in thousands)

	<u>1985</u>	<u>1984</u>
Assets:		
Investments, at fair value:		
Short-term investments	\$ 8,000	8,000
United States Government securities	342,802	278,406
Corporate bonds, notes and debentures	39,368	17,236
Common stocks	120,621	34,016
Foreign stocks	25,007	11,290
Foreign bonds	15,139	-
Real estate equity funds	61,574	55,427
Financial futures	1	1
Total investments	<u>612,512</u>	<u>404,376</u>
Loans and mortgages, at cost	<u>201,797</u>	<u>185,399</u>
Receivables:		
Contributions	13,037	15,098
Accrued interest and dividends	12,454	9,144
Total receivables	<u>25,491</u>	<u>24,242</u>
Cash	28,958	48,001
Total assets	<u>868,758</u>	<u>662,018</u>
Liability - accrued expenses	<u>2,425</u>	<u>2,446</u>
Net assets available for benefits	<u>\$ 866,333</u>	<u>659,572</u>

See accompanying notes to financial statements.

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM

Statements of Changes in Net Assets Available for Benefits

Years ended June 30, 1985 and 1984

(in thousands)

	<u>1985</u>	<u>1984</u>
Additions:		
Investment income:		
Net appreciation (depreciation) in fair value of investments (note 5)	\$ 78,418	(48,194)
Interest	69,320	58,139
Dividends	4,851	3,420
Total investment income	<u>152,589</u>	<u>13,365</u>
Contributions:		
State of Alaska and other employers	68,826	63,316
Employees	29,176	27,257
Total contributions	<u>98,002</u>	<u>90,573</u>
Total additions	<u>250,591</u>	<u>103,938</u>
Deductions:		
Benefits paid:		
Retirement	33,360	27,792
Medical	4,393	3,257
Total benefits paid	<u>37,753</u>	<u>31,049</u>
Refunds to terminated employees	3,126	3,094
Administrative expenses	2,951	1,605
Total deductions	<u>43,830</u>	<u>35,748</u>
Net increase	206,761	68,190
Net assets available for benefits:		
Beginning of year	<u>659,572</u>	<u>591,382</u>
End of year	\$ <u>866,333</u>	<u>659,572</u>

See accompanying notes to financial statements.

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM

Statement of Accumulated Plan Benefits

June 30, 1984

(in thousands)

Actuarial present value of accumulated benefits:

Vested benefits:

Participants currently receiving payments

\$ 284,261

Other participants

433,396

Total vested benefits

717,657

Nonvested benefits

86,361

Total actuarial present value of accumulated benefits

\$ 804,018

At June 30, 1983, the total actuarial present value of accumulated benefits was \$706,795. During the year ended June 30, 1984, there were no changes in the actuarial present value as a result of a change in actuarial assumptions (note 3).

See accompanying notes to financial statements.

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM

Notes to Financial Statements

June 30, 1985 and 1984

(1) Description of State of Alaska Teachers' Retirement System (Plan)

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

The Plan is a joint-contributor plan created by State of Alaska Statutes effective July 1, 1955. The Plan was established to provide benefits for teachers and other eligible participants.

Pension Benefits

General employees with eight or more years of credited service are entitled to annual pension benefits beginning at normal retirement age (55) equal to 2% of their highest three-year average monthly compensation for each year of service. The Plan permits early retirement at age 50. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. Minimum benefits for employees eligible for retirement are \$25 per month for each year of credited service. In addition, major medical benefits are provided.

Death and Disability Benefits

If an active employee, first hired under the Plan before July 1, 1982 is participating in the supplemental contribution provision, dies and is survived by a dependent child or children, the employee's spouse and children receive a survivor's allowance from the Plan. The amount of the survivor's allowance is determined by the participant's base salary and the number of dependent children. If an active employee was first hired under the Plan on or after July 1, 1982, is not participating in or eligible for coverage under the supplemental contribution provision and dies from an occupational cause, the spouse or beneficiary will receive a monthly pension from the Plan. The amount of the pension changes on the date the employee's normal retirement would have occurred if the employee had lived. The new benefit is based on the employee's average base salary at the time of his/her death and the credited service that would have accrued if the employee had lived and continued to work until normal retirement age.

(Continued)

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM

Notes to Financial Statements

If an employee with five or more paid-up years of membership service is not eligible for normal retirement benefits and becomes permanently disabled, the employee is entitled to a monthly benefit. The annual disability benefit is equal to 50% of the base salary at time of disablement plus an additional 10% of his/her base salary for each dependent child up to a maximum of four children.

(2) Summary of Significant Accounting Policies

Valuation of Investments

Investments, other than real estate equity fund and loans and mortgages, are carried at market value to reflect the asset values of the Plan as determined by the last quoted sales price at June 30, 1985 and 1984.

Real estate equity funds are stated at estimated market value as determined by the independent management of the investment accounts. These investments do not have a readily available market and generally represent long-term investments.

Loans and mortgages are serviced by the institution from which the loan is purchased. The policy of the Plan is to hold these investments until maturity and, accordingly, the investments are stated at cost. Loans and mortgages include approximately \$2,440,000 and \$1,882,000 for 1985 and 1984, respectively, of other real estate owned. Other real estate owned represents properties on which the Plan has foreclosed and is holding with the intent to resell.

Contributions Receivable

Contributions from employees and employers for service through June 30 are accrued. These contributions are considered fully collectible and, accordingly, no allowance for uncollectible receivables is considered necessary.

Investment Income Receivable

Investment income receivable represents amounts earned but not yet received as of June 30. These amounts are considered fully collectible and, accordingly, no allowance for uncollectible receivables is considered necessary.

(Continued)

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM

Notes to Financial Statements

(3) Actuarial Present Value of Accumulated Benefits

Accumulated benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provision to the service employees have rendered. Accumulated benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died, and present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their highest three years of credited service. The accumulated benefits for active employees are based on their average compensation during the three years ending on the date that the benefit information is presented (the valuation date). Benefits payable under all circumstances--retirement, death, disability, and termination of employment--are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated benefits is determined by an actuary from William M. Mercer-Meldinger Incorporated and is that amount that results from applying actuarial assumptions to adjust the accumulated benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of June 30, 1984 are as follows:

- a. Actuarial cost method - attained age normal, also known as aggregate method with supplemental liability, unfunded accrued benefit liability amortized over 25 years.
- b. Mortality basis - 1971 Group Annuity Mortality Table.
- c. Retirement age - the average of age 60 and the earliest age for which unreduced retirement benefits will be available.
- d. Interest rate - 8% per annum, compounded annually, net of investment expenses.
- e. Health inflation - 8% per annum.
- f. Salary scale - increase of 8% per annum for the first five years of employment and 7% per year thereafter.

(Continued)

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM

Notes to Financial Statements

- g. Cost of living allowance (domicile in Alaska) - 49% of those receiving benefits will be eligible to receive the cost of living allowance.
- h. Contribution refunds - 100% of those terminating after age 35 with eight or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded.
- i. Asset valuation - three-year average ratio between market and cost values of the Plan's assets.

Turnover and disability assumptions are based upon actual historical occurrence rates of the Plan. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated benefits.

(4) Funding Policy

Employees' Contributions

Employees contribute 7% of their base salary as required by statute. A qualified member may make an additional contribution of 1% of his/her base salary. Contributions are collected by employers and remitted to the Plan.

Employer Contribution

The Employers' contribution rate is determined annually on an actuarial basis.

(5) Investments

During 1985 and 1984, the Plan's investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in value as follows:

	<u>1985</u>	<u>1984</u>
United States Government securities	\$ 48,352	(26,712)
Corporate bonds, notes and debentures	9,572	(2,859)
Common stock	15,008	(26,975)
Foreign stock	3,467	(516)
Foreign bonds	935	-
Real estate equity funds	1,084	2,144
Gold	<u>-</u>	<u>6,724</u>
	\$ <u>78,418</u>	(<u>48,194</u>)

Benefit Services / Consulting Actuaries

SUMMARY

We have completed a valuation of the Alaska Teachers' Retirement System as of June 30, 1984. The principal results of the actuarial valuation are presented in this summary and analysis; the two sections which follow are meant to provide the necessary supporting details.

Section 1 presents the fundamental information on which the valuation was based. Included is a summary of plan provisions, information about plan participants, and disclosure of the actuarial method and assumptions used.

Section 2 presents the detailed actuarial valuation results. Its subsections present a step-by-step derivation of the recommended contribution. In addition, information requested by the auditors of the Retirement System is presented.

The purposes of an actuarial valuation are:

1. To examine the status of funding of the Plan, and
2. To determine the contribution rates for the State for each school district in the System.

The most significant results of the valuation are as follows:

	<u>1983</u>	<u>1984</u>
(1) Status of Funding as of June 30		
(a) Valuation Assets ('000 omitted)	\$562,944	\$674,382
(b) Present Value of Accrued Benefits ('000 omitted)	706,795	804,018
(c) Accrued Benefit Funding Ratio	79.7%	83.9%
(2) Contributions For Fiscal Year	<u>1986</u>	<u>1987</u>
(a) Normal Cost Rate	13.13%	13.91%
(b) Past Service Rate	4.23%	3.45%
(c) Total Contribution Rate	17.36%	17.36%

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us, to determine a sound value for the Plan liabilities. I certify that, to the best of my knowledge and belief, the attached statements are true and correct.

Respectfully submitted,

Robert F. Richardson

Robert F. Richardson, ASA
Principal

RFR/jam

April 4, 1985

1.6 ACTUARIAL METHOD AND ASSUMPTIONS

Valuation of Liabilities

- A. Actuarial Method - Attained Age Normal, also known as Aggregate Method with Supplemental Liability. The unfunded accrued benefit liability is amortized over 25 years.
- B. Actuarial Assumptions -
1. Interest 8% per year, compounded annually, net of investment expenses.
 2. Salary Scale 8% per year for the first five years of employment and 7% per year thereafter.
 3. Health Inflation 8% per year.
 4. Mortality 1971 Group Annuity Mortality Table.
 5. Turnover Based upon the 1980-81 actual total turnover experience. (See Table 1).
 6. Disability Incidence rates in accordance with Table 2. Post-disability mortality in accordance with rates published by the Pension Benefit Guaranty Corporation to reflect mortality of those receiving disability benefits under Social Security.
 7. Retirement Age The average of age 60 and the earliest age for which unreduced retirement benefits will be available.
 8. Spouse's Age Wives are assumed to be four years younger than husbands.
 9. Contribution Refunds 100% of those terminating after age 35 with eight or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded.

- | | |
|----------------|---|
| 10. C.O.L.A. | 49% of those receiving retirement benefits will be eligible for C.O.L.A. |
| 11. Sick Leave | 4.7 days of unused sick leave for each year of service will be available to be credited once the member is retired. |
| 12. Expenses | No loading for expenses. |

Valuation of Assets

Based upon the three-year average ratio between market and book values of the System's assets. Assets are accounted for on an accrued basis.

Valuation of Medical Benefits

Medical benefits for retirees are provided by the payment of premiums from the trust fund. A pre-65 cost and lower post-65 cost (due to Medicare) were assumed such that the total rate for all retirees equals the present premium rate. These medical premiums are then increased with the health inflation assumption. The same method used for funding retirement benefits is also used to fund health benefits.

TABLE 1
EMPLOYEE TURNOVER ASSUMPTIONS

<u>Select Rates of Turnover During the First 3 Years of Employment</u>		<u>After 3 Years of Employment</u>	
<u>Year of Employment</u>	<u>Males</u>	<u>Attained Age</u>	<u>Rate</u>
1	.12	20	.1500
2	.26	21	.1500
3	.32	22	.1500
		23	.1500
		24	.1500
		25	.1500
<u>Year of Employment</u>	<u>Females</u>	26	.1500
1	.09	27	.1500
2	.11	28	.1500
3	.16	29	.1500
		30	.1400
		31	.1300
		32	.1200
		33	.1100
		34	.1000
		35	.0900
		36	.0800
		37	.0800
		38	.0700
		39	.0700
		40	.0650
		41	.0650
		42	.0650
		43	.0600
		44	.0600
		45	.0600
		46	.0600
		47	.0550
		48	.0550
		49	.0550
		50	.0500
		51	.0500
		52	.0500
		53	.0500
		54	.0500
		55 and Up	.0000

TABLE 2

DISABILITY RATES
ANNUAL RATES FOR 1,000 EMPLOYEES

<u>Age</u>	<u>Rate</u>
20	.70
21	.71
22	.72
23	.73
24	.74
25	.75
26	.76
27	.78
28	.80
29	.82
30	.84
31	.86
32	.88
33	.90
34	.93
35	.96
36	.99
37	1.03
38	1.07
39	1.11
40	1.15
41	1.20
42	1.27
43	1.36
44	1.48
45	1.62
46	1.76
47	1.91
48	2.07
49	2.23
50	2.40
51	2.60
52	2.86
53	3.18
54	3.56
55	4.00
56	4.59
57	5.34
58	6.10
59	7.20
60	8.43
61	9.75
62	11.30
63	13.05
64	14.90

2.4 BREAKDOWN OF PRESENT VALUE
OF BENEFITS
('000 OMITTED)

	<u>Present Value of Accrued Benefit</u>	<u>Present Value of Fully Projected Benefit</u>
<u>Active Members</u>		
Retirement Benefits	\$217,205	\$ 636,645
Termination Benefits	96,522	230,031
Disability Benefits	12,033	18,511
Death Benefits	4,388	8,678
Return of Contributions	10,837	17,104
Health Benefits	<u>122,592</u>	<u>152,886</u>
Subtotal	\$463,577	\$1,063,855
<u>Inactive Members</u>		
Not Vested	\$ 5,094	\$ 5,094
Vested Terminations	51,086	51,086
Retirees & Beneficiaries	<u>284,261</u>	<u>284,261</u>
Subtotal	\$340,441	\$ 340,441
<u>Totals</u>	\$804,018	\$1,404,296

2.5 CALCULATION OF TOTAL CONTRIBUTION RATE
FOR FISCAL YEAR 1987
('000 OMITTED)

Normal Cost Rate

(1) Present Value of Fully Projected Benefits	\$1,404,296
(2) Present Value of Accrued Benefits	804,018
(3) Present Value of Arrearage Indebtedness	23,426
(4) Present Value of Future Contributions (1) - (2) - (3)	576,852
(5) Present Value of Future Salaries	2,726,381
(6) Normal Cost Rate (4) ÷ (5)	21.16%
(7) Average Member Contribution Rate	7.25%
(8) Consolidated Employer Normal Cost Rate, (6) - (7)	13.91%

Past Service Rate

(1) Present Value of Accrued Benefits	\$ 804,018
(2) Valuation Assets	674,382
(3) Total Unfunded Liability, (1) - (2)	129,636
(4) 25-Year Amortization Factor	11.528758
(5) Past Service Payment, (3) ÷ (4)	11,245
(6) Total Salaries	325,540
(7) Past Service Rate, (5) ÷ (6)	3.45%

<u>Total Employer Contribution Rate</u>	17.36%
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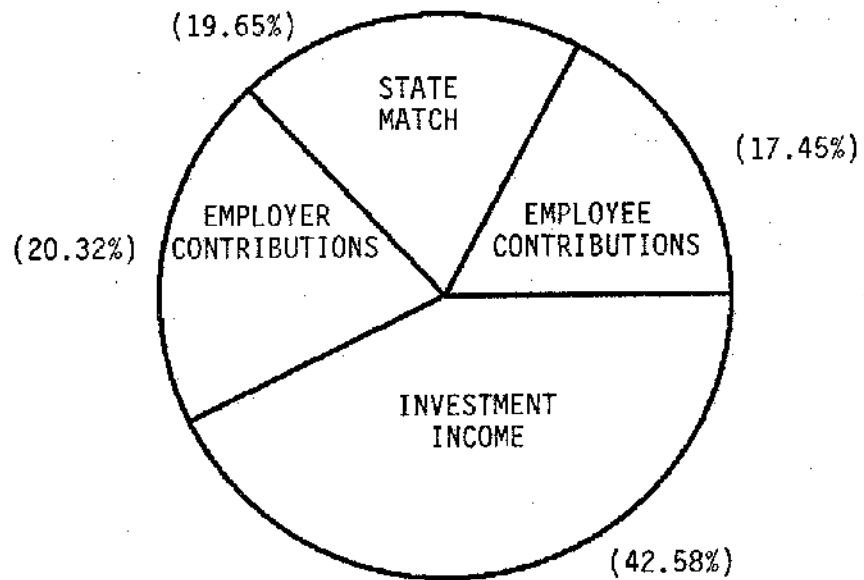
STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Comparative Statement of Operations

	FISCAL YEAR ENDED	
	June 30, 1985	June 30, 1984
Beginning Equities and Reserves	\$659,572,326	\$591,382,599
Additions:		
Employees' Contributions:		
Mandatory	27,235,390	25,175,874
Supplemental	965,710	959,941
Reinstatement	190,257	201,660
Arrearage	740,333	876,576
Retroactive	43,957	42,867
Total Employees' Contributions	29,175,647	27,256,918
Employers' Contributions	34,993,756	31,086,699
State Contributions-Matching	33,832,085	32,228,800
Net Investment Income	73,303,833	60,586,110
Market Value Adjustment	78,418,155	(48,193,923)
DVA	8,623	
Interest Earned on		
Employees' Indebtedness	851,999	973,342
Option I Suspense	7,245	
Total Additions	250,591,343	103,937,946
Total Equities, Reserves and Additions	\$910,163,669	\$695,320,545
Deductions:		
Administrative Expenses		
Personnel Services	674,194	660,830
Travel and Moving	37,425	32,594
Contractual Services	646,521	310,724
Supplies and Materials	19,058	26,654
Machinery/Equipment	38,757	64,727
Grants/Inter-Agency	1,535,319	509,900
Total Administrative Expenses	2,951,274	1,605,429
Employees' Contributions and Interest Refunded	3,126,205	3,094,220
Medical Benefit Expenses	4,393,200	3,256,699

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Comparative Statement of Operations

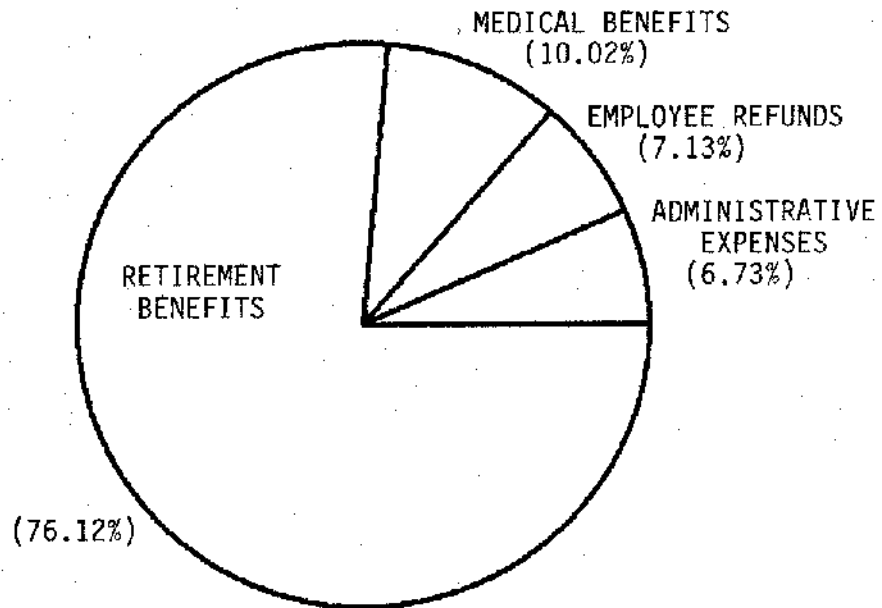
	FISCAL YEAR ENDED	
	<u>June 30, 1985</u>	<u>June 30, 1984</u>
Retirement Benefits Paid:		
Base Benefits	23,974,460	20,181,659
Cost of Living Allowance	1,669,673	1,413,005
Widow Annuity	335,587	283,883
Survivor Annuity	491,321	498,889
Disability Benefits	1,189,528	1,178,004
Post Retirement Pension Adjustment	5,565,559	4,022,978
Lump-Sum Payments	118,942	203,659
Non-occupational Death Benefits	<u>14,248</u>	<u>9,794</u>
Total Retirement Benefits	33,359,318	27,791,871
Total Deductions	<u>43,829,997</u>	<u>35,748,219</u>
Ending Equities and Reserves	<u>\$866,333,672</u>	<u>\$659,572,326</u>

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 1985
INCOME AND RECEIPTS
\$172,173,188



STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 1985

DISBURSEMENTS
\$43,829,997



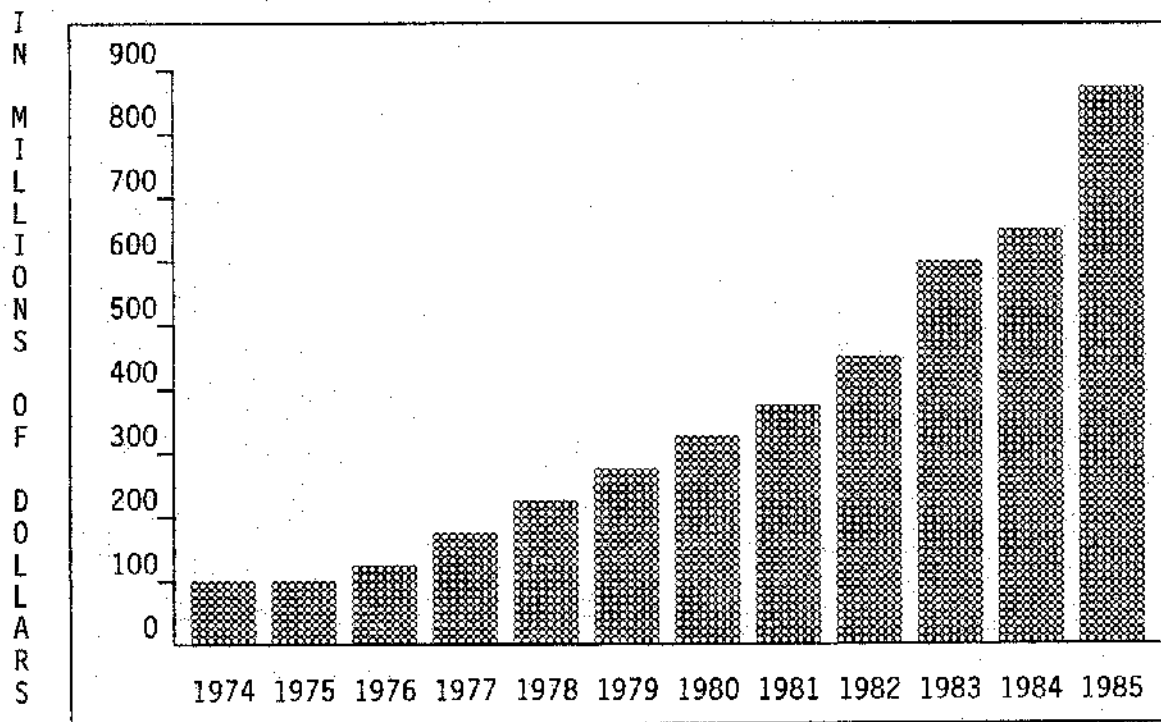
STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Historical Data
Fiscal Years 1974 through 1985
(cents omitted)

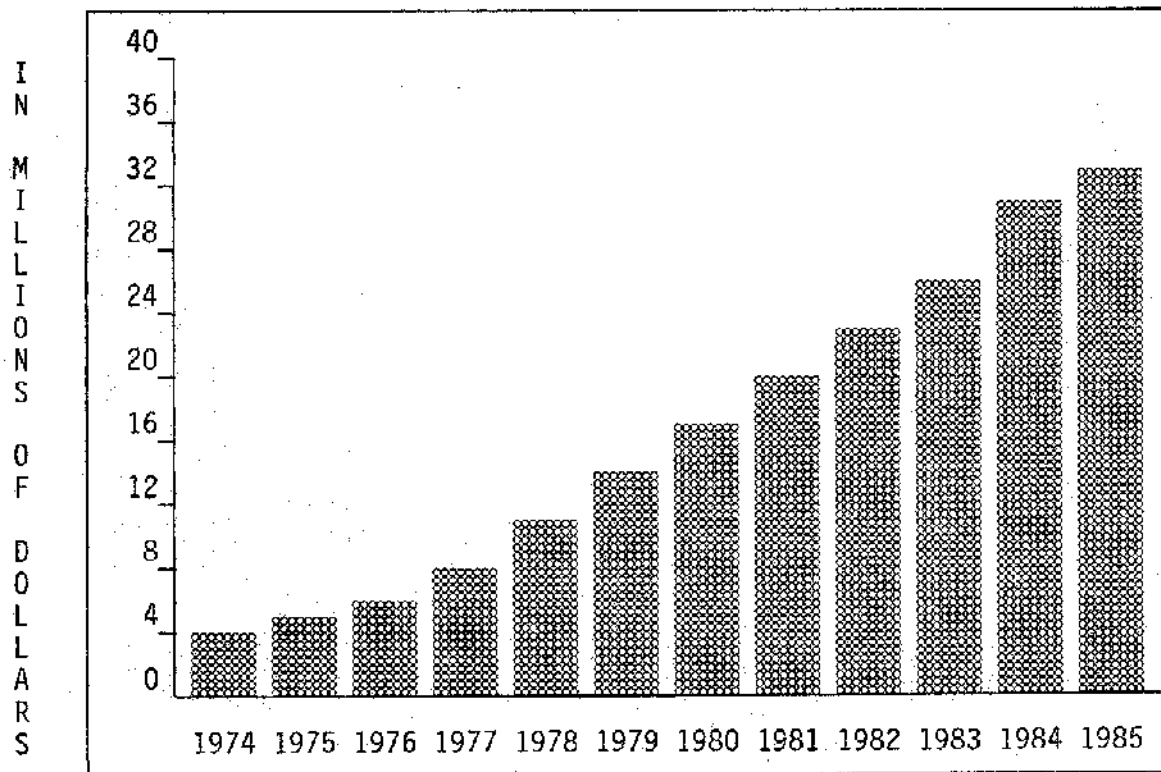
Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Employees' Contributions During Fiscal Year	Benefits Paid Including Medical Expenses & Death Benefits	Employees' Contributions and Interest Refunded During Fiscal Year	Net Investment Income During Fiscal Year
1974	89,794,395	8,770,748	8,628,798	3,642,667	1,419,832	4,287,131
1975	105,797,313	11,526,213	9,147,206	4,574,494	1,896,431	1,844,773
1976	137,623,382	19,348,436	11,590,177	6,390,012	1,926,611	9,240,962
1977	177,345,467	24,030,230	12,162,883	8,161,421	1,859,829	13,583,578
1978	215,370,551	19,792,849	15,510,483	11,025,589	2,319,376	16,051,252
* 1979	267,043,332	26,558,644	15,142,057	13,838,067	2,419,936	22,311,725
1980	320,314,293	31,243,171	16,650,594	16,462,399	3,087,910	31,783,301
1981	373,253,081	37,653,917	18,853,076	20,004,135	3,172,253	39,180,591
1982	443,528,571	50,856,750	21,735,042	22,881,444	2,974,426	30,900,759
1983	591,382,599	54,717,900	24,546,266	26,360,363	2,509,240	62,075,568
1984	659,572,326	63,315,499	27,256,918	31,048,570	3,094,220	60,586,110
1985	866,333,672	68,825,841	29,175,647	37,752,518	3,126,205	73,303,833

* Figures presented on an accrual basis effective FY 1979.

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
TOTAL ASSETS
FISCAL YEARS 1974 THROUGH 1985



STATE OF ALASKA
TEACHERS' RETIREMENT FUND
BENEFITS PAID
FISCAL YEARS 1974 THROUGH 1985



STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1985

<u>Employer</u>	<u>Percentage</u>
Adak Region School District	8.98
Alaska Gateway Schools	
Alaska, University of	
Alaska, University of, Geophysical Institute	
Aleutian Region School District	S
Anchorage School District	A
Annette Island School District	M
Association of Alaska School Boards	E
Bering Straits School District	
Bristol Bay Borough School District	F
Chatham School District	O
Chugach Regional School District	R
Copper River School District	
Cordova School District	A
Craig School District	L
Delta-Greely School District	L
Department of Education, State of Alaska	E
Dillingham School District	M
Fairbanks North Star Borough School District	P
Galena City School District	L
Haines City Schools	O
Hoonah City Schools	Y
Hydaburg City School District	E
Iditarod Area School District	R
Juneau Borough School District	S
Kake City Schools	
Kenai Peninsula Borough School District	
Ketchikan Gateway Borough School District	
King Cove City School District	
Klawock City Schools	
Kodiak Island Borough School District	
Kuspuk School District	
Lake and Peninsula School District	
Lower Kuskokwim School District	
Lower Yukon School District	
Matanuska-Susitna Borough School District	
National Education Association	
Nenana City Public Schools	
Nome City Schools	
North Slope Borough School District	
Northwest Arctic School District	
Pelican School District	
Petersburg City Schools	

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1985

Continued

<u>Employer</u>	<u>Percentage</u>
Pribilof Region School District	8.98
Railbelt School District	
Sand Point City School District	
Sitka Borough School District	S
Skagway City School District	A
Southeast Islands School District	M
Southeast Regional Resource Center	E
Southwest Region School District	
Saint Marys School District	F
State Legislature	O
Tanana School District	R
Valdez City Schools	
Wrangell Public Schools	A
Yakutat School District	L
Yukon Flats School District	L
Yukon Koyukuk School District	
	E
	M
	P
	L
	O
	Y
	E
	R
	S

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

June 30, 1985

(IN THOUSANDS)

OTHER SHORT TERM INVESTMENTS	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>Repurchase Agreements</u>						
Commercial Paper/Finance	7.45%	07-01-85	\$9,700	\$9,700	\$9,700	7.45
Total			<u>\$9,700</u>	<u>\$9,700</u>	<u>\$9,700</u>	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

UNITED STATES GOVERNMENT SECURITIES	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
<u>U.S. Treasury Bills and Notes</u>						
U.S. Treasury Bills						
	7 7/8%	02-15-00	\$ 10,000	\$ 9,187	\$ 8,053	9.78
	8 3/8%	08-15-00	10,000	8,897	8,397	9.97
	7.625%	02-15-07	3,000	2,451	2,272	10.07
	7 7/8%	11-15-07	11,000	9,718	8,535	10.15
	13 1/8%	05-15-01	5,000	5,759	5,916	11.09
	13.375%	08-15-01	15,000	15,075	18,038	11.12
	11 5/8%	11-15-02	15,000	14,564	16,106	10.83
	10 3/8%	11-15-12	20,000	19,877	19,537	10.62
	11 7/8%	11-15-03	30,000	30,256	32,765	10.87
	12 3/8%	05-15-04	40,000	46,050	45,387	10.91
	13.00 %	11-15-90	10,000	10,158	11,212	11.59
	13 1/2%	02-15-86	20,000	20,716	20,694	13.05
	14.25 %	11-15-91	10,000	10,284	11,831	12.04
	10.50 %	11-15-92	10,000	9,870	10,188	10.31
	10.00 %	12-31-86	30,000	30,375	30,637	9.79
	9 7/8%	02-15-86	39,000	39,191	39,500	9.75
	10 7/8%	02-15-93	20,000	20,793	20,687	10.51
	10 1/8%	05-15-93	40,000	39,867	39,900	10.15
	10 5/8%	08-31-85	97,000	97,356	97,454	10.58
	11 3/4%	11-15-88	10,000	9,969	10,637	11.05
	11 1/8%	09-30-87	10,000	10,006	10,447	10.65
	11 3/4%	11-15-93	10,000	9,944	10,778	10.90
	10 7/8%	02-28-86	25,000	25,434	25,500	10.66
	13.125%	05-15-94	10,000	10,650	11,525	11.39
	13 7/8%	08-15-89	25,000	28,563	28,383	12.22
Total			\$525,000	\$535,010	\$544,379	10.75

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>CORPORATE BONDS, NOTES AND DEBENTURES</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>Corporate/Finance</u>						
General Motors Accep Corp Reg	7.512%	07-22-85	\$15,000	\$15,000	\$15,000	7.51
Total			\$15,000	\$15,000	\$15,000	7.51
<u>Corporate/Industrial</u>						
Atlantic Richfield Co Deb Reg	12 1/2%	09-15-12	\$ 5,000	\$ 5,094	\$ 5,569	11.22
Mobil Corp Deb Reg	14.40%	06-15-04	10,000	10,377	11,163	12.90
Ralston Purina Co Deb Reg	12.875%	10-15-14	5,000	5,237	5,375	11.98
Reynolds R J Inds Inc Deb Reg	13.35%	10-01-12	5,000	5,405	5,906	11.30
Total			\$25,000	\$26,113	\$28,013	12.05
<u>Corporate/Utility</u>						
Pacific Gas and Elec Co 1st 83 B Reg	13.00%	09-01-16	\$ 5,000	\$ 4,935	\$ 5,481	11.86
Total			\$ 5,000	\$ 4,935	\$ 5,481	11.86

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

	Interest Rate	Maturity Date	Shares/ Par Value	Carrying Value	Market Value	Yield On Market
FOREIGN BONDS						
Bundes Republik Obligation	6.00 %	10-01-87	\$ 9,000	\$ 2,876	\$ 2,973	5.99
Canada Govt Cdn & Ser J46 Reg	10 3/4%	10-01-85	3,000	2,197	2,214	10.72
Canada Govt Cdn & Ser H23 Reg	12 1/4%	05-01-87	2,500	1,884	1,910	11.80
United Kingdom Treasury Bonds	10.00 %	04-11-86	5,000	5,954	6,458	10.13
United Kingdom Exchequer Bonds	10.50 %	04-06-87	3,000	3,561	3,855	10.69
United Kingdom Treasury Bills		08-20-85	4,200	4,938	5,403	3.03
Total Bonds			26,700	21,410	22,813	8.20
Income and Principal Cash				73	73	
Total			\$26,700	\$21,483	\$22,886	8.17

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
AMP, Inc.	12,000	\$ 369	\$ 387
AMR Corporation	45,000	1,592	2,154
Abbott Laboratories	12,200	486	700
Air Products and Chemicals, Inc.	12,900	573	718
Alcan Aluminum, Ltd.	23,700	654	595
Alco Standard Corporation	40,300	1,204	1,506
Amerada Hess Corporation	44,700	1,356	1,268
American Electric Power Company	51,400	1,081	1,214
American Express Company	30,000	1,155	1,425
American General Corporation	22,000	1,046	1,532
American Greetings Corporation	21,000	604	751
American Home Products Corporation	23,000	1,212	1,469
American Home Products Corporation	21,000	1,104	1,341
American International Group, Inc.	17,700	1,118	1,505
American Standard, Inc.	51,200	1,393	1,530
Amoco Corporation	22,200	1,444	1,424
Atlantic Richfield Company	24,800	1,125	1,485
Avery International Corporation	55,000	1,821	1,719
Baker International Corporation	81,000	1,396	1,438
Beverly Enterprises	58,000	2,014	2,233
Black and Decker Corporation	26,000	565	514
Boeing Company	35,250	1,308	1,577
Boeing Company	4,950	194	222
Boeing Company	8,250	247	369
Bristol-Meyers Company	33,000	1,881	2,025
Burroughs Corporation	20,000	1,282	1,170
CPC International, Inc.	35,300	1,355	1,611
Caterpillar Tractor Company	19,300	585	639
Chase Manhattan Corporation	11,600	667	700
Chemical New York	13,500	414	557
Chevron Corporation	50,000	1,699	1,869
Citicorp	24,800	934	1,225
Coca-Cola Company	15,600	1,062	1,082
Coca-Cola Company	28,000	1,932	1,943
Collins and Aikman Corporation	59,600	995	1,304
Control Data Corporation	41,800	1,201	1,082
Consolidated Freightways, Inc.	42,900	967	1,362
Cooper Industries, Inc.	43,900	1,262	1,542
Deere and Company	23,300	686	702
Delta Airlines	38,000	1,378	1,862
Digital Equipment Corporation	17,000	1,802	1,596
Digital Equipment Corporation	2,125,000	2,325	2,369
Dover Corporation	40,000	1,420	1,520

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Dow Chemical Company	29,700	857	1,062
Dow Chemical Company	42,400	1,292	1,516
EI DuPont De Nemours and Company	34,300	1,842	1,994
Eastman Kodak Company	35,000	1,624	1,549
Family Dollar Stores, Inc.	48,000	1,082	1,242
Federated Department Stores	22,500	1,101	1,434
First Chicago Corporation	31,300	728	696
First Chicago Corporation	75,000	1,844	1,669
Fluor Corporation	80,500	1,417	1,389
GTE Corporation	40,300	1,624	1,627
General Dynamics Corporation	19,400	1,347	1,442
General Electric Company	24,500	1,374	1,516
General Electric Company	32,100	1,778	1,986
General Foods Corporation	7,000	396	567
General Motors Corporation	28,500	2,023	2,052
General Motors Corporation	20,850	513	865
General Motors Corporation	18,500	1,416	1,332
General Re Corporation	18,000	1,040	1,530
Hewlett-Packard Company	45,000	1,480	1,575
Hewlett-Packard Company	30,000	1,027	1,050
Hospital Corporation	26,700	1,083	1,295
International Business Machines Corporation	27,500	3,247	3,403
International Business Machines Corporation	11,200	1,265	1,386
International Minerals and Chemical	37,000	1,422	1,508
International Paper Company	19,900	995	975
Johnson and Johnson	17,300	562	802
K-Mart Corporation	31,200	1,084	1,197
Kerr-McGee Corporation	31,300	925	916
Kroger Company	43,500	1,731	1,974
Lear Siegler, Inc.	30,000	1,285	1,680
Lilly Eli and Company	18,300	1,135	1,583
Loctite Corporation	30,000	903	953
Loral Corporation	30,000	757	1,080
Lowes Companies, Inc.	62,000	1,509	1,666
MCA, Inc.	5,700	234	341
Macy RH and Company	15,000	655	776
Mapco, Inc.	43,500	1,517	1,523
Marriott Corporation	14,500	1,088	1,368
McDonalds Corporation	21,500	1,026	1,473
McDonalds Corporation	28,000	1,409	1,918
McGraw-Hill, Inc.	30,000	1,336	1,478
Melville Corporation	29,400	1,098	1,411
Merck and Company, Inc.	13,000	1,401	1,464

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Merck and Company, Inc.	4,700	400	529
Minnesota Mining and Mfg. Company	19,000	1,572	1,513
Motorola, Inc.	12,000	380	410
Motorola, Inc.	15,000	529	512
NCR Corporation	34,200	842	1,047
NCR Corporation	48,000	1,352	1,470
NWA, Inc.	43,000	1,763	2,327
Nabisco Brands, Inc.	21,600	1,068	1,785
Nynex, Corporation	11,500	767	1,026
Ohio Casualty Corporation	28,500	1,707	1,760
Owens-Corning Fiberglass Corporation	46,400	1,509	1,641
Pacific Telesis Group	20,000	1,243	1,568
Panhandle Eastern Corporation	12,700	437	460
Pepsico, Inc.	9,000	392	541
Pepsico, Inc.	25,700	1,117	1,545
Phibro Salomon Corporation	37,500	1,296	1,598
Philip Morris, Inc.	7,800	666	666
Pioneer Hi-Bred International, Inc.	25,000	832	819
Proctor and Gamble Company	29,000	1,564	1,631
Proctor and Gamble Company	25,800	1,405	1,451
RCA Corporation	32,500	1,069	1,548
Raytheon Company	32,700	1,317	1,635
Revlon, Inc.	30,700	1,071	1,251
Richardson Vicks, Inc.	26,500	739	954
Royal Dutch Petroleum Company	25,500	1,271	1,492
Royal Dutch Petroleum Company	21,700	1,122	1,269
Sanders Associates, Inc.	24,900	835	921
Schering-Plough Corporation	18,500	684	828
Schlumberger, Ltd.	37,600	1,603	1,452
Searle GD and Company	24,000	1,096	1,296
Searle GD and Company	13,600	702	734
Sears Roebuck and Company	49,900	1,731	1,915
Shared Medical Systems Corporation	23,500	669	687
Sheller Globe Corporation	20,000	393	550
Singer Company	50,000	1,623	1,838
Smithkline Beckman Corporation	21,800	1,455	1,518
Sonat, Inc.	5,000	178	180
Standard Oil Company Ohio	14,500	640	680
TRW, Inc.	20,000	1,332	1,498
TRW, Inc.	19,000	1,479	1,423
Tektronix, Inc.	5,400	312	327
Tenneco, Inc.	24,700	1,030	1,047
Texaco, Inc.	20,400	752	773

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Texaco, Inc.	40,000	1,378	1,515
Texas Utilities Company	23,700	620	735
Textran, Inc.	33,500	1,713	1,843
Times Mirror Company	35,000	1,501	1,882
Tribune Company	28,000	873	1,314
Union Pacific Corporation	6,400	254	306
United Technologies Corporation	24,500	1,024	1,017
Varian Associates	27,300	833	802
Viacom International, Inc.	45,000	1,787	2,150
Walmart Stores, Inc.	34,600	1,511	1,891
Washington Post Company	19,000	1,505	2,310
Whirlpool Corporation	34,000	1,548	1,624
Whirlpool Corporation	45,000	\$ 2,135	\$ 2,149
Total Common Stock		<u>\$164,421</u>	<u>\$186,850</u>

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

	<u>Cost</u>	<u>Market</u>	<u>Yield</u>
<u>Foreign Investments Managed By</u>			
Morgan Guaranty Trust			
Equities	\$16,383	\$18,234	
Funds Reserved for Equity Purchases	<u>675</u>	<u>682</u>	
Total Morgan Guaranty Trust	<u>17,058</u>	<u>18,916</u>	3.06%
Citibank			
Equities	17,242	19,897	
Funds Reserved for Equity Purchases	<u>10</u>	<u>11</u>	
Total Citibank	<u>17,252</u>	<u>19,908</u>	2.00%
Total Foreign Investments	<u>\$34,310</u>	<u>\$38,824</u>	
<u>Financial Futures</u>			
Discount Corporation of NY	<u>\$ 1</u>	<u>\$ 1</u>	
<u>Real Estate Equity Fund</u>			
Aetna Life and Casualty	\$10,726	\$12,228	
Equitable Life Insurance Co.	12,158	14,729	
Prudential Insurance Co.	7,923	8,954	
John Hancock Life Insurance Co.	8,756	9,700	
Morgan Guaranty Trust	6,467	7,019	
Security Capitol	22,385	23,214	
JMB Industrial	14,224	14,291	
Karsten	1,790	1,797	
Total Real Estate Equity Fund	<u>\$84,429</u>	<u>\$91,932</u>	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

Real Estate Mortgages
and SBA Loans

	<u>Interest Rate Range</u>	<u>Out- Standing Cost</u>	<u>Weighted Average Yield</u>
<u>SBA Loans Services By</u>			
Alaska Mutual Bank	9.50	\$ 45	9.00
Alaska Statebank	10.50	40	10.00
First Bank	9.75	34	9.38
First National Bank of Fairbanks	15.75	468	15.69
National Bank of Alaska	8.00 - 10.50	246	8.87
Rainier Bank Alaska	8.00 - 9.25	37	7.50
Total SBA Loans		<u>\$870</u>	

Bureau of Indian Affairs
Serviced By

National Bank of Alaska	10.50	<u>\$940</u>	10.31
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Farmers Home Administration Loan
Serviced By

National Bank of Alaska	9.75	<u>\$1,427</u>	9.56
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Conventional/Residential Mortgages
Serviced By

Alaska Continental Bank	13.50 - 14.50	\$ 1,210	13.94
Alaska Federal Savings and Loan	9.25 - 16.50	3,421	12.84
Alaska Mutual Savings Bank	9.375 - 17.25	9,763	11.78
Alaska National Bank	9.25 - 12.00	9,122	10.17
Alaska Pacific Bank	9.375 - 15.75	11,746	11.62
Alaska Pacific Mortgage Company	13.50 - 15.50	7,997	13.89
Alaska Statebank	9.375 - 16.75	19,493	12.27
Arctic First Federal Savings & Loan	9.50 - 11.75	763	10.03
FedAlaska Federal Credit Union	13.50 - 14.50	1,434	14.15
First Alaska Mortgage	13.00 - 15.125	462	14.03
First Bank	9.375 - 14.50	938	10.12
First Federal Bank of Alaska	9.875 - 16.50	6,084	13.88

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

Real Estate Mortgages
and SBA Loans - Continued:

	<u>Interest Rate Range</u>	<u>Out- Standing Cost</u>	<u>Weighted Average Yield</u>
First Interstate Bank of Alaska	8.00 - 16.75	\$ 4,051	12.73
First National Bank of Anchorage	9.25 - 16.50	26,849	12.13
First National Bank of Fairbanks	9.875 - 15.75	4,348	12.74
Home Savings and Loan	9.50 - 16.125	9,279	10.87
Kissell Mortgage Company	9.50 - 17.25	149,921	13.28
Lomas and Nettleton Company	14.00	57	13.69
National Bank of Alaska	10.50 - 16.00	1,753	12.36
Peoples Mortgage Company	10.25 - 10.50	727	10.22
Peninsula Savings and Loan	11.50 - 15.50	576	14.41
Rainier Bank Alaska	9.50 - 11.00	1,525	10.12
Seafirst Corporation	9.25 - 14.875	13,086	10.99
Security National Bank	10.75 - 16.75	<u>4,533</u>	14.04
Total Conventional/Residential Mortgages		<u>\$289,138</u>	

FHA Mortgages Serviced By

Alaska Mutual Bank	6.75 - 8.50	\$ 342	7.80
Alaska National Bank	7.50 - 8.50	177	7.62
Alaska Pacific Bank	11.50	377	11.56
Alaska Statebank	5.25 - 8.50	1,142	7.37
First National Bank of Anchorage	5.25 - 9.00	989	7.64
National Bank of Alaska	5.25 - 8.50	727	7.11
Rainier Financial Services	5.75 - 7.50	626	7.12
Washington Mortgage Company	7.00	<u>798</u>	7.87
Total FHA Mortgages		<u>\$ 5,178</u>	

Total Real Estate Mortgages
and SBA Loans

\$297,553

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

<u>OTHER SHORT-TERM INVESTMENTS</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>Repurchase Agreements</u>						
Commercial Paper/Finance	7.45%	07-01-85	8,000	8,000	8,000	7.45
Total Repurchase Agreements			<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	
Total Other Short-Term Investments			<u>\$8,000</u>	<u>\$8,000</u>	<u>\$8,000</u>	

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

UNITED STATES GOVERNMENT SECURITIES	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
U.S. Treasury Bills and Notes						
U.S. Treasury Bills						
	7 7/8%	02-15-00	\$ 12,000	\$ 11,004	\$ 9,664	9.78
	8 3/8%	08-15-00	10,000	8,897	8,397	9.97
	7.625%	02-15-07	3,000	2,451	2,272	10.07
	7 7/8%	11-15-07	8,000	6,965	6,207	10.15
	13.375%	08-15-01	10,000	10,050	12,025	11.12
	11 5/8%	11-15-02	15,000	14,564	16,106	10.83
	10 3/8%	11-15-12	20,000	19,827	19,537	10.62
	11 7/8%	11-15-03	25,000	25,215	27,305	10.87
	12 3/8%	05-15-04	15,000	17,269	17,020	10.91
	13.00%	11-15-90	10,000	10,158	11,213	11.59
	13 1/2%	02-15-86	25,000	25,895	25,867	13.05
	14.25%	11-15-91	10,000	10,284	11,831	12.04
	9 7/8%	02-15-86	24,000	24,123	24,307	9.75
	10 7/8%	02-15-93	10,000	10,400	10,344	10.51
	10 1/8%	05-15-93	20,000	19,886	19,950	10.15
	10 5/8%	08-31-85	40,000	40,217	40,187	10.58
	11 3/4%	11-15-88	10,000	10,047	10,637	11.05
	11 3/4%	11-15-93	10,000	9,944	10,778	10.90
	10 7/8%	02-28-86	30,000	30,520	30,600	10.66
	13.125%	05-15-94	10,000	10,650	11,525	11.39
	13 7/8%	08-15-89	15,000	17,137	17,030	12.22
Total U.S. Bills and Notes			\$332,000	\$335,503	\$342,802	10.93

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

OTHER BONDS, NOTES, AND DEBENTURES	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
<u>Corporate/Finance</u>						
General Motors Accep Corp Reg	7.512%	07-22-85	\$15,000	\$15,000	\$15,000	7.51
Total			\$15,000	\$15,000	\$15,000	7.51
<u>Corporate/Industrial</u>						
Conoco Inc Deb Reg	13 1/4%	01-15-11	\$ 4,000	\$ 4,250	\$ 4,260	12.44
Mobil Corp Deb Reg	14.40%	06-15-04	6,000	6,226	6,648	12.90
Ralston Purina Co Deb Reg	12.875%	10-15-14	4,000	4,190	4,300	11.98
Reynolds R J Inds Inc Deb Reg	13.35%	10-01-12	4,000	4,324	4,725	11.30
Total			\$18,000	\$18,990	\$19,983	12.23
<u>Corporate/Utility</u>						
Pacific Gas and Elec Co 1st 83 B Reg	13.00%	09-01-16	\$ 4,000	\$ 3,948	\$ 4,385	11.86
Total			\$ 4,000	\$ 3,948	\$ 4,385	11.86

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
AMP, Inc.	8,000	\$ 246	\$ 258
AMR Corporation	30,000	1,063	1,436
Abbott Laboratories	7,800	306	448
Air Products and Chemicals, Inc.	8,300	367	462
Alcan Aluminum, Ltd.	17,900	494	450
Alco Standard Corporation	26,400	797	987
Amerada Hess Corporation	28,800	973	817
American Electric Power Company	30,600	644	723
American Express Company	17,000	654	808
American General Corporation	14,400	990	1,003
American Greetings Corporation	19,000	547	679
American Home Products Corporation	15,000	791	958
American Home Products Corporation	15,000	796	958
American International Group, Inc.	10,600	652	901
American Standard, Inc.	32,600	858	974
Amoco Corporation	14,200	922	911
Atlantic Richfield Company	16,300	737	976
Avery International Corporation	35,000	1,159	1,094
Baker International Corporation	48,000	778	852
Beverly Enterprises	37,000	1,285	1,425
Black and Decker Corporation	16,500	349	325
Boeing Company	22,500	833	1,007
Boeing Company	3,150	123	141
Boeing Company	6,750	202	302
Bristol-Meyers Company	20,000	1,141	1,228
Brunswick Corporation	20,000	779	738
Burroughs Corporation	20,000	1,282	1,170
CPC International, Inc.	22,500	854	1,027
Caterpillar Tractor Company	12,400	376	411
Chase Manhattan Corporation	7,400	426	447
Chemical New York Corporation	8,800	269	363
Chevron Corporation	36,000	1,154	1,346
Citicorp	15,900	568	785
Coca-Cola Company	17,000	1,173	1,179
Coca-Cola Company	10,000	681	694
Collins and Aikman Corporation	44,000	727	963
Consolidated Freightways, Inc.	28,100	612	892
Control Data Corporation	26,700	768	691
Cooper Industries, Inc.	28,300	826	993
Deere and Company	14,900	439	449
Delta Airlines	25,500	919	1,250
Digital Equipment Corporation	1,370,000	1,494	1,528
Digital Equipment Corporation	10,500	1,113	986

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Dover Corporation	25,500	900	969
Dow Chemical Company	19,200	556	686
Dow Chemical Company	29,500	918	1,055
EI DuPont De Nemours and Company	22,000	1,181	1,279
Eastman Kodak Company	22,000	1,013	974
Edwards AG, Inc.	36,000	1,137	1,183
Family Dollar Stores, Inc.	30,000	678	776
Federated Department Stores	14,400	689	918
First Chicago Corporation	20,000	465	445
First Chicago Corporation	50,000	1,229	1,113
Fluor Corporation	51,500	908	888
GTE Corporation	26,000	1,046	1,050
General Dynamics Corporation	12,400	861	922
General Electric Company	15,600	867	965
General Electric Company	20,700	1,138	1,281
General Foods Corporation	4,300	243	348
General Motors Corporation	11,900	907	857
General Motors Corporation	16,500	1,144	1,188
General Motors Corporation	1,150	20	47
General Re Corporation	11,900	678	1,012
Hewlett-Packard Company	28,000	917	980
Hewlett-Packard Company	16,000	553	560
Hospital Corporation	17,100	692	829
International Business Machines Corporation	7,300	809	903
International Business Machines Corporation	17,800	2,074	2,203
International Minerals and Chemical	23,700	905	966
International Paper Company	12,800	638	627
Johnson and Johnson	11,200	361	519
K-Mart Corporation	20,000	693	768
Kerr-McGee Corporation	19,600	580	573
Kroger Company	30,000	1,204	1,361
Lear Siegler, Inc.	19,000	802	1,064
Lilly Eli and Company	12,000	744	1,038
Loctite Corporation	20,000	602	634
Loral Corporation	20,000	503	720
Lowe's Companies, Inc.	41,000	996	1,102
MCA, Inc.	3,700	151	222
Macy RH and Company	9,600	418	497
Mapco, Inc.	28,000	969	980
McDonalds Corporation	19,100	930	1,308
McDonalds Corporation	14,200	667	973
McGraw-Hill, Inc.	9,800	437	483
Melville Corporation	19,200	710	922

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Merck and Company, Inc.	2,400	203	270
Merck and Company, Inc.	8,600	773	969
Minnesota Mining and Mfg. Company	12,500	1,011	974
Motorola, Inc.	10,000	352	341
Motorola, Inc.	7,800	247	266
NCR Corporation	22,100	538	677
NCR Corporation	31,000	873	949
NWA, Inc.	27,000	1,090	1,461
Nabisco Brands, Inc.	14,000	688	1,157
Nynex, Corporation	7,900	515	705
Ohio Casualty Corporation	18,700	1,120	1,155
Owens-Corning Fiberglass Corporation	28,500	926	1,007
Pacific Telesis Group	12,900	775	1,011
Panhandle Eastern Corporation	8,100	278	294
Pepsico, Inc.	5,800	253	349
Pepsico, Inc.	16,800	726	1,010
Phibro Salomon Corporation	24,500	847	1,044
Philip Morris, Inc.	12,000	836	1,025
Philip Morris, Inc.	5,000	427	427
Pioneer Hi-Bred International, Inc.	15,000	498	491
Proctor and Gamble Company	18,500	983	1,041
Proctor and Gamble Company	16,500	896	928
RCA Corporation	25,000	826	1,191
Raytheon Company	21,000	839	1,050
Revlon, Inc.	19,700	686	803
Richardson Vicks, Inc.	17,000	473	612
Royal Dutch Petroleum Company	13,900	719	812
Royal Dutch Petroleum Company	14,900	721	872
Sanders Associates, Inc.	16,000	536	592
Schering-Plough Corporation	12,500	462	559
Schlumberger, Ltd.	24,000	1,032	927
Searle GD and Company	8,700	449	470
Searle GD and Company	18,000	824	971
Sears Roebuck and Company	32,000	1,109	1,228
Shared Medical Systems Corporation	16,500	457	483
Sheller Globe Corporation	13,300	267	366
Singer Company	30,000	982	1,103
Smithkline Beckman Corporation	14,300	955	996
Standard Oil Company Ohio	9,300	411	436
TRW, Inc.	12,000	934	898
TRW, Inc.	13,000	881	973
Tektronix, Inc.	3,700	209	223
Tenneco, Inc.	15,900	663	674

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Texaco, Inc.	15,000	553	568
Texaco, Inc.	25,700	880	973
Texas Utilities Company	15,200	395	471
Textron, Inc.	21,500	1,099	1,183
Times Mirror Company	23,000	945	1,236
Tribune Company	23,400	683	1,097
Union Pacific Corporation	4,400	173	210
United Technologies Corporation	15,800	660	656
Varian Associates	17,500	534	514
Viacom International, Inc.	29,100	1,158	1,390
Walmart Stores, Inc.	23,300	1,020	1,273
Washington Post Company	5,200	407	632
Whirlpool Corporation	21,700	990	1,036
Whirlpool Corporation	28,700	1,374	1,370
Total Common Stock		<u>\$106,163</u>	<u>\$120,621</u>

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

	Interest Rate	Maturity Date	Shares/ Par Value	Carrying Value	Market Value	Yield On Market
FOREIGN BONDS						
Bundes Republik Obligation	6.00%	10-01-87	\$ 6,000	\$ 1,915	\$ 1,982	5.99
Canada Govt Cdn & Ser J46 Reg	10.75%	10-01-85	2,000	1,465	1,476	10.72
Canada Govt Cdn & Ser H23 Reg	12.25%	05-01-87	1,500	1,131	1,146	11.80
United Kingdom Treasury Bonds	10.00%	04-11-86	3,000	3,572	3,875	10.13
United Kingdom Exchequer Bonds	10.50%	04-06-87	2,000	2,374	2,570	10.69
United Kingdom Treasury Bills		08-20-85	3,100	3,645	3,988	3.03
Total Bonds			17,600	14,102	15,037	7.98
Income and Principal Cash				102	102	
Total			\$17,600	\$14,204	\$15,139	7.93

ALASKA TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

	<u>Cost</u>	<u>Market</u>	<u>Yield</u>
<u>Foreign Investments Managed By</u>			
Morgan Guaranty Trust			
Equities	\$10,887	\$12,091	
Funds Reserved for Equity Purchases	<u>146</u>	<u>147</u>	
Total Morgan Guaranty Trust	<u>11,033</u>	<u>12,238</u>	2.03%
Citibank			
Equities	11,018	12,762	
Funds Reserved for Equity Purchases	<u>6</u>	<u>7</u>	
Total Citibank	<u>11,024</u>	<u>12,769</u>	1.99%
Total Foreign Investments	<u>\$22,057</u>	<u>\$25,007</u>	
<u>Financial Futures</u>			
Discount Corporation of NY	<u>\$ 1</u>	<u>\$ 1</u>	
<u>Real Estate Equity Fund</u>			
Aetna Life and Casualty	\$11,060	\$11,553	
Equitable Life Insurance Co.	7,812	9,577	
Prudential Insurance Co.	5,408	6,299	
John Hancock Life Insurance Co.	8,882	9,649	
Morgan Guaranty Trust	4,342	4,680	
Karsten	767	767	
JMB Industrial	7,695	7,695	
Security Capital	<u>11,192</u>	<u>11,354</u>	
Total Real Estate Equity Fund	<u>\$56,158</u>	<u>\$61,574</u>	

ALASKA TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

Real Estate Mortgages
and SBA Loans

	Interest Rate Range	Out- Standing Cost	Weighted Average Yield
<u>SBA Loans Services By</u>			
National Bank of Alaska	8.00 - 9.25	\$827	8.28
Total SBA Loans		\$827	
<u>Farmers Home Administration Loan Served By</u>			
First Interstate Bank of Alaska	12.75	685	12.69
Total Farmers Home Administration Loan		\$685	
<u>Conventional/Residential Mortgages Served By</u>			
Alaska Federal Savings and Loan	10.50	\$ 836	10.44
Alaska First Mortgage Company	10.00 - 13.00	3,099	11.22
Alaska Mutual Bank	9.25 - 16.00	17,236	11.97
Alaska National Bank	10.50 - 12.00	2,339	11.19
Alaska Pacific Bank	11.25	72	10.94
Alaska Statebank	11.00	8	10.69
Alaska USA Federal Credit Union	10.125 - 11.00	1,207	10.48
B.M. Behrends Bank	9.50 - 16.75	7,789	13.79
FedAlaska Federal Credit Union	14.00	110	13.81
First Interstate Bank of Alaska	9.50 - 17.50	25,318	11.95
First National Bank of Anchorage	10.75	939	10.65
General Electric Mortgage Company	12.50	362	12.37
Home Savings and Loan	10.25	490	10.19
Kissell Mortgage Company	8.00 - 17.00	57,067	13.16
Mt. McKinley Mutual Bank	9.25 - 14.875	3,553	11.01
National Bank of Alaska	9.25 - 17.25	31,687	11.84
Peoples Mortgage Company	10.25 - 10.50	726	10.22
Rainier Bank of Alaska	9.50 - 16.50	6,741	11.36
United Bank Alaska	9.375 - 16.75	23,575	12.52
Verex Mortgage Company	12.00 - 17.75	13,353	14.00
Total Conventional/Residential Mortgages		\$196,507	

ALASKA TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT
JUNE 30, 1985

(IN THOUSANDS)

(CONTINUED)

Real Estate Mortgages
and SBA Loans - Continued:

	<u>Interest Rate Range</u>	<u>Out- Standing Cost</u>	<u>Weighted Average Yield</u>
<u>FHA Mortgages Serviced By</u>			
Alaska Mutual Bank	6.00 - 8.50	\$ 481	7.51
Alaska National Bank	5.75	17	5.43
Alaska Statebank	5.25 - 8.50	522	6.92
First National Bank of Anchorage	5.25 - 8.50	1,272	8.21
National Bank of Alaska	5.25 - 8.00	1,012	7.22
Rainier Bank Alaska	7.50	23	7.50
Rainier Financial Services	5.25 - 8.50	<u>450</u>	7.74
Total FHA Mortgages		<u>\$ 3,777</u>	
Total Real Estate Mortgages and SBA Loans		<u>\$201,796</u>	